

Submission Date:

05.02.2025

Acceptance Date:

13.06.2025

Publication Date:

29.09.2025

To cite this article: Büyükaslan, B. & İyigün, N.Ö. (2025). Power distance on the relationship between psychological contract and work engagement: A comparative research. *Istanbul Ticaret University Journal of Social Sciences*, 24(53), 396-420, doi: 10.46928/iticusbe.1634011

THE MODERATING ROLE OF POWER DISTANCE IN THE EFFECT OF PSYCHOLOGICAL CONTRACT ON WORK ENGAGEMENT: A COMPARATIVE RESEARCH*

Research

Berat Büyükaslan 

Corresponding Author

İstanbul Ticaret University

beratsensoy@gmail.com

N. Öykü İyigün 

İstanbul Ticaret University

oiyigun@ticaret.edu.tr

Berat Büyükaslan is a PhD candidate in the Business Administration Program at Istanbul Ticaret University.

N. Öykü İyigün is a Professor in the Department of Management Information Systems at the Faculty of Business Administration, Istanbul Ticaret University. Her research interests include organization, strategy, organizational culture, and strategic management.

* This article is derived from the doctoral dissertation titled "The Moderating Role of Organizational Justice in the Effect of Psychological Contract on Work Engagement" conducted by Berat Büyükaslan within the Business Administration PhD Program under the supervision of Prof. Dr. N.Öykü İyigün at Istanbul Ticaret University Graduate School of Social Sciences.

The Moderating Role of Power Distance in the Effect of Psychological Contract on Work Engagement: A Comparative Research

Berat Büyükaslan
beratsensoy@gmail.com
N. Öykü İyigün
oiyigun@ticaret.edu.tr

Abstract

This study examines the effect of power distance on the relationship between psychological contract and work engagement. The aim of the study is to explore the relationship between psychological contract and work engagement and to compare these dynamics in the cultural contexts of Türkiye and Switzerland. By focusing on how power distance shapes this relationship, it aims to provide practical insights to increase the levels of work engagement of employees in multinational environments. This comparative analysis, using Hofstede's cultural dimensions, shows how power distance affects the interaction between psychological contract and work engagement in the two countries, Türkiye and Switzerland. This study uses a cross-sectional design by collecting data through a survey from employees in both countries. Regression analysis was conducted with a total sample of 210 employees. The results suggest that transactional psychological contracts tend to reduce work engagement, and relational contracts are positively associated with engagement. However, contrary to expectations, the negative effect of transactional contracts was stronger in low power distance environments. These findings highlight the importance of considering power distance when designing engagement strategies in multinational contexts. The findings of the study also help explain employee work engagement in an organizational context and are important for both theory and practice. This article contributes to the literature on understanding work engagement through the dynamics determined by the psychological contract, taking into account the influence of power distance. This research, conducted in the cultural diversity of Türkiye and Switzerland, provides insights into how cultural dimensions affect organizational dynamics. The results highlight the importance of considering cultural factors when designing strategies that increase the level of employee engagement.

Keywords: Psychological contract, work engagement, power distance, cross-cultural analysis.

JEL Code: M12, J24, M14, M54

Psikolojik Sözleşmenin İşe Tutkunluk Üzerindeki Etkisinde Güç Mesafesinin Düzenleyici Rolü: Karşılaştırmalı Bir Araştırma

Özet

Bu çalışma, güç mesafesinin psikolojik sözleşme ile işe tutkunluk arasındaki ilişkiye etkisini incelemektedir. Çalışmanın amacı, psikolojik sözleşme ile işe tutkunluk arasındaki ilişkiyi incelemek ve bu dinamikleri Türkiye ve İsviçre'nin kültürel bağlamlarında karşılaştırmaktır. Güç mesafesinin psikolojik sözleşme ile işe tutkunluk arasındaki ilişkiye olan etkisini araştırarak, çok uluslu ortamlarda çalışanların işe tutkunluk düzeylerini artırmaya yönelik uygulanabilir içgörüler sunmayı hedeflemektedir. Hofstede'in kültürel boyutları kullanılarak yapılan bu karşılaştırmalı analiz, güç mesafesinin psikolojik sözleşme ile işe tutkunluk arasındaki etkileşimini Türkiye ve İsviçre gibi iki farklı ülkede nasıl şekillendirdiğini vurgulamaktadır. Bu çalışma, İsviçre ve Türkiye'deki çalışanlardan anket yoluyla veri toplayarak, kesitsel bir tasarım kullanmaktadır. Her iki ülkeden toplam 210 çalışandan oluşan bir örneklem ile regresyon analizi gerçekleştirilmiştir. Sonuçlar, psikolojik sözleşmenin işe tutkunluk üzerinde negatif bir etkisi olduğunu, buna karşın ilişkiyel sözleşmenin pozitif bir etki yarattığını göstermektedir. Ancak, beklentilerin aksine, işlemsel psikolojik sözleşmenin olumsuz etkisi düşük güç mesafesi ortamlarında daha güçlüdür. Bu bulgular, çok uluslu bağlamlarda katılım stratejileri tasarlarırken güç mesafesini dikkate almanın önemini ortaya koymaktadır. Aynı zamanda, çalışma bulguları örgütsel bağlamda çalışanların işe tutkunluğuna dair derin bir anlayış sunmakta olup, hem teori hem de uygulama açısından önem taşımaktadır. Bu makale, güç mesafesinin etkisini dikkate alarak, psikolojik sözleşmenin belirlediği dinamikler üzerinden işe tutkunluğun anlaşılmasına dair literatüre önemli katkılarda bulunmaktadır. Türkiye ve İsviçre'nin kültürel çeşitliliğinde gerçekleştirilen bu araştırma, kültürel boyutların örgütsel dinamikleri nasıl etkilediğine dair benzersiz içgörüler sunmaktadır. Sonuçlar, çalışanların işe tutkunluk düzeyini artıran stratejileri tasarlarırken kültürel faktörlerin dikkate alınmasının önemini vurgulamaktadır.

Anahtar Kelimeler: Psikolojik sözleşme, işe tutkunluk, güç mesafesi, kültürlerarası analiz.

JEL Kodu: M12, J24, M14, M54

Introduction

When we look at today's business world, work relationships are shaped not only by formal agreements but also by informal, implicit expectations between employees and employers. The mutual expectations and obligations between employees and employers form the fundamental dynamics of work relationships. When such expectations are met, trust between the parties strengthens, enhancing employees' commitment and enthusiasm. However, unmet expectations can weaken this trust and negatively affect engagement. Due to factors such as technological progress, globalization, and growing competition, businesses now focus more on understanding employee behavior and fostering motivation to improve performance. This shift highlights the relevance of the psychological contract and its role in employee engagement.

This study aims to examine how power distance influences the relationship between psychological contract and work engagement. Power distance refers to the extent to which employees perceive inequality within their organization (Hofstede, 1980). Research indicates that employee attitudes and behaviors differ depending on the level of power distance (Kirkman et al., 2009, p. 746). In low power distance countries like Switzerland, interactions between employees and supervisors tend to be more egalitarian. In contrast, in high power distance cultures such as Türkiye, workplace relationships are more hierarchical (Hofstede, 1984).

Given the diversity in organizational cultures and global competition, this study compares data from both Switzerland and Türkiye. While several studies (Bal et al., 2013; Chang et al., 2013; Kanbur & Ay, 2020; Soares & Mosquera, 2019) have explored the link between psychological contract and work engagement, no prior research has assessed the role of power distance in this context. Investigating this relationship in two distinct cultural settings offers original insight and aims to expand the existing literature. This study addresses an overlooked area by comparing two culturally different settings. The contrast between Türkiye and Switzerland helps explain how power distance may alter the effect of psychological contracts on engagement. The results aim to guide organizations that operate across diverse cultural environments.

Literature Review and Conceptual Framework

Psychological Contract

The psychological contract plays an important role in employment relationships as it captures the mutual expectations and responsibilities that develop between employees and employers. It refers to an implicit understanding shaped by these expectations, which is not formally documented but develops over time and can vary across individuals. This type of understanding is built on the assumption that both sides will honor each other's expectations, forming a shared, unwritten framework (Dikili & Bayraktaroğlu, 2013, p. 207; İyigün & Çetin, 2012, p. 16). It is rooted in individual perception and occurs through the ongoing interaction between employees and employers. Employees typically expect fair compensation, job stability, and chances for advancement. In return, they offer behaviors such as loyalty, honesty, and productivity (Cihangiroğlu & Şahin, 2010, pp. 2-3). Employers, in turn, are expected to uphold transparency, fairness, and a supportive workplace—expectations that also define the boundaries of the psychological contract.

Rousseau (1989) states that the psychological contract is mainly studied through two key dimensions: transactional and relational. According to Rousseau (1995), transactional contracts emphasize short-term, tangible exchanges, often involving material benefits. Relational contracts, by contrast, involve longer-term interactions based on emotional involvement, mutual trust, and a sense of connection. In such arrangements, employees may feel valued, adopt the organization's principles, and receive support for professional growth. While transactional contracts are primarily focused on compensation for duties performed, relational contracts also include emotional and psychological elements. Building on Rousseau's ideas, Morrison and Robinson (1997) suggest that the way employees make sense of unmet expectations—both emotionally and cognitively—can shape their behavioral responses.

Research increasingly supports the idea that relational psychological contracts are more effective at encouraging work engagement than transactional ones (Bal et al., 2013, pp. 548-549). Depending on how they are perceived, these contracts significantly influence employee attitudes and behavior. The psychological contract, as a core concept in organizational life, reflects what employees seek from their employers—and what

they're prepared to contribute in return. Studies show that a strong perception of this contract correlates with increased commitment and behaviors beneficial to the organization (Mimaroglu Özgen & Özgen, 2010, p. 5). However, when organizational actions fall short of employee expectations, motivation can wane and disengagement may follow. Individual traits and workplace context also influence how employees respond to such breaches (Fantinelli et al., 2023; Peng & Li, 2022, p. 5). To counteract these effects, many scholars emphasize the importance of organizational justice—especially procedural and interactional fairness—in reducing perceptions of psychological contract violations (Ebrahimzadeh et al., 2024, p. 6).

Work Engagement

Kahn (1990, p. 694) defines work engagement as employees' profound commitment and level of motivation toward their roles, encompassing their emotional, cognitive and behavioral dedication. Schaufeli and Bakker (2004) later operationalized the concept as a positive, fulfilling, and job-related state, distinguishing it from related constructs such as job satisfaction and burnout. While closely related to the concept of job engagement, work engagement encompasses a broader scope, including employees' focus on their jobs, emotional attachment to their work, and clear perceptions related to their jobs (Korkmaz & Bektaş, 2022, p. 2268). Engaged employees enjoy their work, which often leads to increased job performance and motivation (Kaplanseven & Öricü, 2018, p. 15). Work engagement involves employees' focus on their jobs, emotional attachment to their work, and clear perceptions related to their jobs (Yemenici & Bozkurt, 2020, p. 20). The concept is examined in three fundamental dimensions: vigor, dedication, and concentration.

Vigor dimension encompasses employees' ability to perform their jobs with high energy and motivation. It signifies their willingness to exert effort and maintain energy levels even when facing challenges (Altıntaş & Altıntaş, 2023, p. 2367). Dedication dimension highlights employees' deep commitment to and the importance they place on their work. Dedicated employees find inspiration in their work, consider it significant and meaningful, and therefore, put in extra effort (Turgut, 2011, p. 156). Concentration dimension reflects employees' ability to focus on and sustain their attention on their work. Employees who can deeply focus on their tasks tend to show

higher productivity and derive more enjoyment from their work (Örücü & Hasırcı, 2020, p. 1040).

Understanding and promoting these dimensions of work engagement are crucial for organizations. By creating environments and policies that support employees' development in these dimensions, organizations can enhance job performance and motivation. Recent empirical research highlights work engagement's capacity to forecast critical organizational outcomes. Çankır and Arıkan (2019, p. 1143) demonstrate that employees reporting elevated levels of work engagement achieve notably higher job performance. Furthermore, psychological well-being emerges as a significant antecedent of work engagement. In the justice sector, Çankır (2021, p. 1792) shows that perceptions of sustainable quality shape work engagement, which in turn drives enhanced employee performance.

Power Distance

While the concept of power refers to an individual's ability to direct the behaviors of others towards achieving desired goals, power distance is a cultural trait that explains the inequality in power sources between authority and subordinates (Hofstede, 1980). Power distance generally indicates how the distribution of power among strong and weak individuals is perceived and accepted within a country or culture. Power distance, one of Hofstede's (1980) five cultural dimensions, offers a core lens through which to view the degree to which members of a society accept and expect unequal power distributions. House et al.'s (2004) GLOBE study subsequently refined and empirically validated this dimension across a wide range of countries, highlighting its relevance in cross-cultural analyses. These perceptions and acceptances often have a considerable impact on societal institutions and relationships. The behaviors of powerful individuals usually play a determining role in how power distribution unfolds, as power distribution commonly relies on the behaviors of the powerful (Jahangirov et al., 2015, pp. 469-470).

Power distance exerts a profound influence on both organizational design and individual conduct. As a cultural dimension, it helps explain variations in leadership styles, employee involvement, and communication flows within companies. In low-power-distance settings, subordinates feel free to challenge authority, engage in candid

dialogue with supervisors, and expect a voice in decision-making processes (Dai et al., 2022; Hofstede, 1980). Managers in these environments typically adopt an open-door stance, offering support and inviting input, while staff members are encouraged to share perspectives and help steer organizational direction (Eylon & Au, 1999, p. 375). Conversely, in high-power-distance contexts, hierarchical structures are deeply entrenched and seldom questioned (Hofstede, 2001). Authority rests firmly at the top, and decision-making remains centralized (Dotse & Asumeng, 2014, p. 72). Communication tends to flow downward, with employees expected to follow instructions without debate (Khatri, 2009, p.3). Such patterns often curtail employee engagement and foster a more passive organizational climate (Gençer Çelik et al., 2023, pp. 233–234).

Türkiye illustrates a high-power-distance culture, where centralized authority and limited challenge to leadership are the norm (Hofstede, 1980) By contrast, Switzerland exemplifies a low-power-distance society: egalitarian values prevail, structures are more decentralized, and employees routinely participate in discussions and decision processes (Puni & Hilton, 2020, p. 222). Swiss workers therefore feel empowered to question autocratic approaches and contribute proactively to organizational governance.

Hypotheses Development and Theoretical Model

The theoretical framework of this study integrates the structures of psychological contract, power distance, and work engagement within corporate contexts to offer a thorough understanding of their relationships. At the core of the conceptual framework lies the moderating variable known as power distance. Power distance is a cultural element indicating the power inequality between employees and authority figures. Power distance was initially researched and developed among IBM employees and later became an important cultural value used to identify intercultural differences (Hofstede, 1980).

In the realm of psychological contract, work engagement is primarily based on Social Exchange Theory. The theory views interactions between employees and employers as a form of resource exchange (Bolat et al., 2009, pp. 219-220; Kanbur & Ay, 2020, p. 534). These interactions also demonstrate how psychological contract can influence

work engagement. While there are numerous studies on psychological contract and work engagement, there are relatively few that delve into the relationship between these concepts. Studies exploring the existence and strength of the connection between work engagement and the psychological contract indicate that employees with a positive psychological contract demonstrate high levels of work engagement (Nicholson & Johns, 1985; Robinson, 1996; Rousseau, 1995). Freese and Schalk (1996, pp. 505-506) emphasized a consistent relationship among work engagement, psychological contract, and identification.

The transactional psychological contract, which is based on short-term and economic expectations, does not involve emotional commitment (Rousseau, 1995). When employees perceive their role within such a framework, their sense of connection to the organization may weaken, and their engagement may decline. Pramudita et al. (2021) found that transactional contracts were negatively, though not significantly, related to job satisfaction and performance, whereas relational contracts showed clear positive effects. Taken together with Rousseau's (1995) framework, these findings indicate that transactional terms may lead to weaker outcomes.

Hypothesis 1 (H1): Transactional psychological contract negatively affects work engagement.

Power distance is expected to shape the strength of this negative relationship. In high power distance contexts, hierarchical organizational culture and rigid superior-subordinate dynamics may amplify the isolating nature of transactional contracts. Employees in such cultures are less likely to question top-down decisions or seek relational reciprocity, which may exacerbate disengagement.

Hypothesis 1a (H1a): Transactional psychological contract negatively affects work engagement, and this negative relationship becomes stronger as power distance increases.

Relational psychological contracts, by comparison, reflect a fundamentally different approach. It rests on trust, shared goals, and the expectation of a long-term partnership (Rousseau, 1995). When people sense that kind of commitment, they tend to invest more emotionally. Enthusiasm rises, and so does a willingness to stick with tough tasks (Freese & Schalk, 1996, pp. 505-506; Kanbur & Ay, 2020, p. 541).

In line with the above discussion, the following hypothesis is proposed:

Hypothesis 2 (H2): Relational psychological contract positively affects work engagement.

The hierarchical structure of the organization is also relevant in this context. In cultures with high power distances, a genuine relational gesture from a manager can carry unexpected weight, almost as if the organization is breaking usual structural expectations. That added significance can pull employees even closer.

Hypothesis 2a (H2a): Relational psychological contract positively affects work engagement, and this positive relationship becomes stronger as power distance increases.

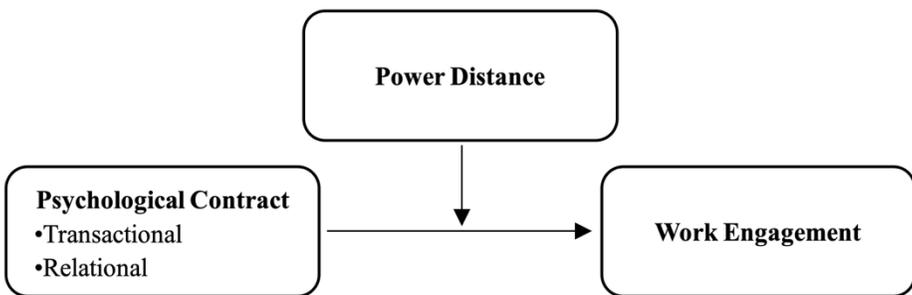


Figure 1. Conceptual Model

Methods

Data for this study was collected from employees working in Switzerland and Türkiye. The use of power distance as a reference from Hofstede's cultural dimensions is anticipated to contribute significantly to the unique understanding of the differences between these two countries. Comparing power distances between the two countries, Switzerland exhibits a significantly lower power distance compared to Türkiye. This indicates a lesser emphasis on hierarchy in Swiss society compared to Türkiye, showing a more egalitarian approach. In Türkiye however, power distance is high, indicating a vertical hierarchy with high expectations of respect and obedience in superior-subordinate relationships, where decision-making processes are typically controlled by authority figures (Hofstede, 1980).

The population of the study consists of 210 employees, with 105 participants selected from each country. This study adopts a quantitative approach, using a survey instrument

that was administered online to collect data from employees across various organizations in the two countries, making the study inherently comparative. The data was gathered through a convenient sampling strategy, tapping employees in both countries, so the project is comparative from the outset. Because this is an exploratory first pass and our target population is spread over two nations. People who could be reached were surveyed. Although the method is quick and inexpensive, it can skew results and limit how broadly the findings apply (Etikan et al., 2016, p. 3). To soften that drawback, the study cast the widest net possible within its reach, drawing respondents from various industries, job levels, and organizational settings. This study used a cross-sectional design to examine how employees perceived psychological contract, power distance, and work engagement during the survey period.

Participants from various industries and organizational settings in Switzerland and Türkiye were selected using a convenience sampling approach. By comparing these two diverse cultural contexts, we can better understand how psychological contract and work engagement interact across different cultural and organizational settings. Additionally, studying these two countries allows for the examination of whether the observed effects are consistent or vary based on cultural differences, enhancing the generalizability and applicability of the findings. Participants of the survey come from both public and private sector mainly from fields of production, service industry, finance, and investment, working at different levels within their industries. The survey questionnaire includes validated scales to measure psychological contract, power distance, and work engagement together with demographic and work-related measures. Table 1 shows the descriptive statistics for the variables used in this study.

Table 1. Descriptive Statistics of the Variables

| Variable | N | Min. | Max. | Mean | Std. Dev. |
|---|-----|------|------|-------|-----------|
| Participant's Country (Switzerland-Türkiye) | 210 | 0 | 1 | .50 | .50 |
| Education | 210 | 1 | 4 | 3.08 | .84 |
| Work Engagement Scale | 210 | 17 | 85 | 64.06 | 14.18 |
| Power Distance Scale | 210 | 6 | 30 | 14.30 | 5.18 |
| Relational Psychological Contract Scale | 210 | 10 | 35 | 25.75 | 6.44 |
| Transactional Psychological Contract Scale | 210 | 3 | 15 | 8.70 | 3.21 |

Participant's Country is coded as 0 = Switzerland, 1 = Türkiye.

The average score for work engagement is 64.06 (SD = 14.18), indicating a moderate level of engagement among participants. The mean score for relational psychological

contract is 25.75 (SD = 6.44), while transactional psychological contract has a lower mean of 8.70 (SD = 3.21). The average score for power distance is 14.30 (SD = 5.18), reflecting moderate perceptions of hierarchical differences within the sample.

Confirmatory Factor Analysis (CFA) was conducted using IBM SPSS AMOS 26 software to validate the measurement scales for psychological contracts, power distance, and work engagement. The original psychological contract scale, developed by Millward and Hopkins (1998), initially comprised 17 items. Due to low factor loadings (below 0.50), 7 items were removed during the CFA process to ensure satisfactory model fit. The final CFA-supported psychological contract scale consisted of two clear dimensions: transactional psychological contract with 3 items, and relational psychological contract with 7 items.

The power distance scale, developed by Dorfman and Howell (1988), comprises 6 items and measures power distance orientation as a single dimension. Lastly, the work engagement scale, adapted from Schaufeli and Bakker (2004), includes 17 items. Although work engagement is typically divided into four dimensions, for the purposes of this study, it was analyzed and presented as a single dimension to provide a more straightforward analysis. This approach simplifies the interpretation of the data and aligns with the specific research goals of this study.

In the survey, the statements were given to the survey participants in a Likert-scale format and they were asked to choose from a range of responses where a value of 1 indicates strong disagreement and a value of 5 indicates strong agreement. In the final analysis, only two statistically significant control variables were retained in the analysis: education and participants' locale. Other control variables were not included as they were not statistically significant predictors of the dependent variable, and they did not alter the coefficients and significance values drastically. Table 2 shows the scales, related items and corresponding reliability analysis scores for the scales used. Reliability coefficients were calculated using Cronbach's Alpha. All scales demonstrate acceptable internal consistency. To test the direct effects (H1, H2) and the moderating effects (H1a, H2a), regression analyses were conducted using Model 1 of Hayes' PROCESS Macro in SPSS (Hayes, 2022).

Table 2. Scale Structures and Reliability Coefficients

| Scale | Number of Items | Cronbach's Alpha |
|--------------------------------------|-----------------|------------------|
| Work Engagement | 17 | .950 |
| Transactional Psychological Contract | 3 | .679 |
| Relational Psychological Contract | 7 | .866 |
| Power Distance | 6 | .803 |

Reliability coefficients were calculated using Cronbach's Alpha. All scales demonstrate acceptable internal consistency.

This section provides the findings from the data analysis performed on the collected survey responses from employees in Switzerland and Türkiye. This analysis focuses on the effect of psychological contract and power distance on employee engagement. Descriptive statistics, analysis, and regression analysis with moderation effects are included to offer a thorough understanding of the data. The moderation analysis was conducted using PROCESS Model 1 in SPSS (Hayes, 2022), testing the interaction between psychological contract and power distance. Table 3 shows the correlation matrix for the main variables used in the study.

Table 3. Correlation Analysis Result of Main Scales

| N=210 | Mean | S.E. | 1 | 2 | 3 | 4 |
|---|-------|-------|---------|-------|--------|---|
| 1- Work Engagement Scale | 64.06 | 14.18 | - | | | |
| 2- Power Distance Scale | 14.30 | 5.18 | .104 | - | | |
| 3- Relational Psychological Contract Scale | 25.75 | 6.44 | .607** | .065 | - | |
| 4- Transactional Psychological Contract Scale | 8.70 | 3.21 | -.311** | -.034 | -.151* | - |

***p<0.001; **p<0.01; *p<0.05

For testing the hypotheses of the study, regression analysis was conducted. Specifically, regression analysis with moderation procedure created by Hayes (2022) was conducted to test the moderating effect of power distance on the relationship between the psychological contract and work engagement. Two control variables; education, and origin country of the participant were also included in the regression model to enhance the robustness of the findings. Psychological contract was measured as two separate dimensions: relational and transactional.

As seen in Table 4, there is support for Hypothesis 1, as transactional psychological contract negatively affects work engagement ($\beta=-1.10$, $p<.001$). Although the interaction term was significant ($\beta=.07$, $p<.05$), it contradicted the expected direction in Hypothesis 1a—indicating that the negative effect was stronger in low power

distance contexts. The results, however, do not support Hypothesis 1a. Contrary to expectations, the negative impact of transactional psychological contracts on work engagement was stronger when power distance was low. The drop in engagement tied to a transactional contract grows sharper when power distance is lower. Hypothesis 2a also does not hold up; the interaction term for the relational contract was not significant. Even so, Hypothesis 2 is confirmed because the relational contract shows a clear positive main effect on engagement ($\beta = 1.34, p < .001$).

Table 4. Results of Moderation Analyses for Transactional and Relational Psychological Contracts

| 1 - Dependent Variable Work Engagement | | | | | |
|---|---------|--------------|----------|-------|-------|
| | β | S.E. (HC) | t | LLCI | ULCI |
| Participant's Country (Switzerland-Türkiye) | -1.28 | 1.98 | -.64 | -5.18 | 2.62 |
| Education | 3.75 | 1.08 | 3.45*** | 1.61 | 5.89 |
| Power Distance Scale | .26 | .20 | 1.26 | -.14 | .67 |
| Transactional Psychological Contract Scale | -1.10 | .29 | -3.68*** | -1.69 | -.51 |
| Interaction | .07 | .04 | 1.75* | -.03 | .18 |
| Constant | 53.20 | 3.73 | 14.24*** | 45.84 | 60.57 |
| R²= .17 F= 6.42*** | | | | | |
| 2 - Dependent Variable Work Engagement | | | | | |
| | β | S.E. (HC) | t | LLCI | ULCI |
| Participant's Country (Switzerland-Türkiye) | 4.32 | 1.46 | 2.94** | 1.42 | 7.22 |
| Education | 3.58 | .90 | 3.98*** | 1.80 | 5.35 |
| Power Distance Scale | .32 | .14 | 2.31* | .04 | .59 |
| Relational Psychological Contract Scale | 1.34 | .12 | 11.03*** | 1.10 | 1.58 |
| Interaction | .02 | .01 | 1.55 | -.00 | .06 |
| Constant | 50.80 | 2.98 | 17.02*** | 44.91 | 56.68 |
| R²= .44 F= 40.22*** | | | | | |

***p<0.001; **p<0.01; *p<0.05,

LLCI: Lower Limit Confidence Interval; ULCI: Upper Limit Confidence Interval

Heteroscedasticity-consistent standard errors and covariance matrix estimators were used for all four models.

Continuous estimators were mean centered prior to analysis.

The first block shows the results for transactional psychological contract; the second block refers to relational psychological contract.

The results of the regression analysis suggest that increasing values of the transactional psychological contract has a negative impact on work engagement. However, the findings point to the opposite trend: transactional contracts seem to lower engagement more sharply in environments with lower power distance. When the power distance is low, the negative impact of transactional psychological contract on work engagement

is higher. Conversely, when the power distance is high, the negative impact of transactional psychological contract on work engagement is lower. Since no significant moderation effect was found for the relational psychological contract, no figure similar to Figure 2 was included for this variable.

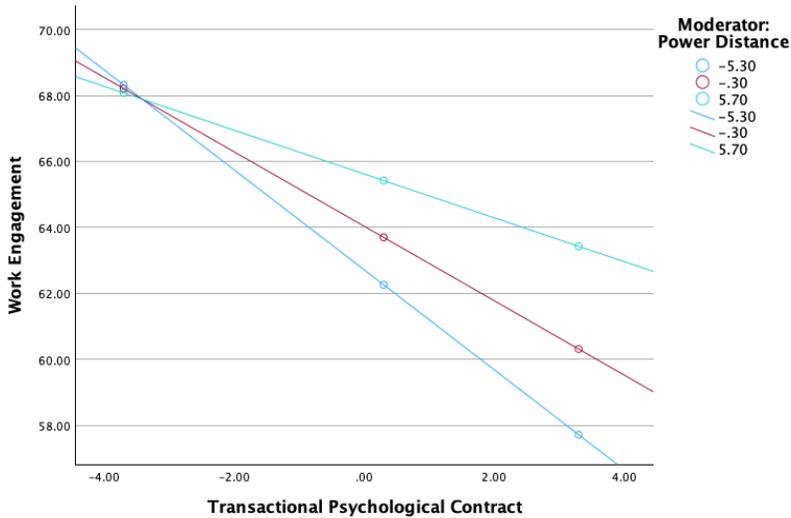


Figure 2. Moderation Effect of Power Distance on Transactional Psychological Contract and Work Engagement

Although Hypothesis 1a proposed that the negative effect of transactional psychological contracts on work engagement would be more pronounced in high power distance cultures, the findings revealed the opposite. As seen in Figure 2 above, the moderating effect was strongest in low power distance environments, where the negative impact of transactional contracts on engagement intensified. This result, while initially counterintuitive, aligns with a relatively minor body of cross-cultural literature suggesting that employees in low power distance cultures have higher expectations for egalitarian, relational, and trust-based employment relationships (Soares & Mosquera, 2019). In places where equal treatment and personal connection are valued, employees often respond poorly to interactions that feel purely transactional. This kind of approach can be seen as distant or indifferent, falling short of what people expect from a respectful work relationship. Fantinelli et al. (2023) also pointed out that in cultures where emotional closeness matters, how employees feel about their connection with employers plays a bigger role in shaping their engagement.

Based on the results of the regression analysis, Hypothesis 2a was rejected as there is no statistically significant moderating effect of power distance on the relationship between relational psychological contract and work engagement. While relational psychological contract ($\beta=1.34$, $p<.001$) has a statistically significant positive effect on work engagement, this relationship is not moderated by power distance. In both models, education was found to be a significant positive factor of work engagement. Employees with higher educational attainment have more work engagement compared to their peers with lower educational attainment levels. This finding aligns with previous research indicating that higher education levels are linked to increased job satisfaction and engagement. Higher education often equips individuals with enhanced skills and knowledge, contributing to higher self-efficacy and greater job involvement (Saks, 2006).

Relational psychological contracts are characterized by mutual confidence, affective ties, and an outlook that the employment bond will last. These qualities tend to lift employees' enthusiasm for their tasks even when organizations differ sharply in hierarchical strictness. Because the commitment is grounded in personal rapport rather than formal authority, it is less exposed to the disruptions that power imbalances introduce into purely transactional deals. Empirical evidence still leans heavily on single-wave, self-report surveys, a design prone to social-desirability replies and overly agreeable responses. Such bias can blur real moderation. Progress will come from studies that track respondents over time, blend interviews or observational material with numerical indicators, and, where possible, incorporate behavioral or archival records to validate perceptions.

Conclusion

The comparison between Türkiye and Switzerland highlights how psychological contracts influence work engagement differently, depending on the level of power distance. Although it was hypothesized that power distance would intensify the negative effect of transactional psychological contracts on work engagement, the findings showed that this effect was actually stronger in low power distance environments, such as Switzerland. In Türkiye, where power distance is higher, the effect appeared to be comparatively weaker, possibly because such arrangements align more naturally with hierarchical expectations. In low power distance settings, for

example in Swiss organizations that are often known for their flatter hierarchies and participative practices, purely transactional arrangements may lead to a sharper disconnect. As a result, employee engagement can decline more clearly in such settings.

Employees in low power distance contexts may expect inclusive and relational workplace dynamics, and when confronted with transactional expectations, they may experience a greater disconnect, leading to reduced motivation. On the other hand, relational psychological contracts, which involve trust and long-term commitment, appear to consistently enhance work engagement across both countries. These findings echo earlier studies emphasizing the motivational value of mutual trust and emotional involvement in employment relationships (Kanbur & Ay, 2020, p. 541; Rousseau, 1995). However, existing literature on power distance tends to focus mainly on leadership behavior or general workplace norms (Ahmad & Gao, 2018, pp. 1993-1996; Kwan et al., 2024, p. 696). The possibility that individuals' perceptions of hierarchy might shape the link between psychological contract types and engagement has received less attention. By examining culturally distinct samples, this study helps address that gap. The findings indicate that beliefs about authority influence how employees respond to different types of employment agreements, highlighting the role of cultural value systems in shaping motivation.

The cross-national results suggest that engagement strategies should not be transferred wholesale across cultural contexts. Organizations, especially those operating in multiple countries should adapt their approaches based on local norms. In societies with high power distance, measures that reduce the sense of hierarchy, increase participation, and clarify decision-making processes are likely to support engagement. The findings also show that motivation is jointly influenced by the nature of the contract and the perception of authority. This dynamic aligns with findings from Thomas et al. (2010), who observed that perceived hierarchical structures can moderate the psychological impact of employment arrangements. Where the relationship is defined by short-term, transactional terms, engagement tends to decline. In contrast, trust-based, long-term commitments generally boost motivation. Employees are also more likely to stay engaged when they perceive their jobs as secure, wages as fair, and development opportunities as real (Saks, 2006; Schaufeli et al., 2009). Reducing reliance on narrow, transactional promises and promoting fairness, stability, and growth can help sustain

engagement, especially in hierarchical settings. Evidence from participative-management research suggests that such openness fosters both commitment and energy at work (Kirkman et al., 2009, pp. 747-748).

Despite the contributions of this study, certain limitations remain. The cross-sectional nature of the data prevents causal interpretations. Longitudinal or experimental designs would better trace how changes in power distance or contract expectations affect engagement over time. While participants came from various organizations, the range of industries and cultures was limited, which may affect generalizability. The use of self-reported data also introduces risks of bias, including socially desirable responses. Future research should consider combining self-reports with supervisor ratings, behavioral observations, or archival data to enhance validity. For instance, Conway and Lance (2010, pp. 326-329) emphasize the importance of using multiple data sources to mitigate common method variance and improve the reliability of organizational research findings.

Lastly, while this study examined power distance as a moderator, other potential influences—such as organizational justice or leadership style—were not tested. Future work could explore whether support from the organization helps buffer stress and prevents burnout, extending the analysis of moderation beyond hierarchical structures. In-depth interviews or case studies could further enrich understanding by capturing how employees experience and interpret psychological contracts in everyday work life. Broadening the range of moderators and adopting longitudinal or qualitative approaches would offer a fuller picture of how psychological contracts, cultural values, and engagement interact. For example, future studies could examine how values such as individualism versus collectivism or uncertainty avoidance shape the effectiveness of different contract types in diverse organizational settings. These insights demonstrate how culture shapes engagement and offer practical guidance for international organizations. In doing so, the study contributes to cross-cultural research by clarifying how power distance and psychological contracts jointly affect employee motivation.

Ethical Statement

This study was approved by the Ethics Committee of İstanbul Ticaret University on October 11, 2023, with the decision number E-65836846-044-300429. The research

was conducted in accordance with the ethical principles of the Declaration of Helsinki. Participation in the study was voluntary and anonymous.

Disclaimer

There is no conflict of interest to declare. All authors contributed equally to the study.

References

- Ahmad, I., & Gao, Y. (2018). Ethical leadership and work engagement: The roles of psychological empowerment and power distance orientation. *Management Decision, 56*(9), 1991–2005. <https://doi.org/10.1108/MD-02-2017-0107>
- Altıntaş, B., & Altıntaş, M. (2023). Öz-yeterlilik ve çalışmaya tutkunluk ilişkisi üzerine bir araştırma. *Journal of Social, Humanities and Administrative Sciences, 9*(61), 2366–2376. <https://doi.org/10.29228/JOSHAS.68275>
- Bal, P. M., Kooij, D. T., & De Jong, S. B. (2013). How do developmental and accommodative HRM enhance employee engagement and commitment? The role of psychological contract and SOC strategies. *Journal of Management Studies, 50*(4), 545–572. <https://doi.org/10.1111/joms.12028>
- Bolat, B., Bolat, Ö., & Seymen, O. A. (2009). Güçlendirici lider davranışları ve örgütsel vatandaşlık davranışı arasındaki ilişkinin sosyal mübadele kuramından hareketle incelenmesi. *Balıkesir Üniversitesi Sosyal Bilimler Enstitüsü Dergisi, 12*(21), 215–239. <https://dergipark.org.tr/en/download/article-file/857111>
- Chang, C. H., Hsu, H. Y., Liou, J. W., & Tsai, C. T. (2013). Psychological contracts and innovative behavior: A moderated path analysis of work engagement and job resources. *Journal of Applied Social Psychology, 98*(3), 619–631. <https://doi.org/10.1111/jasp.12165>
- Cihangiroğlu, N., & Şahin, B. (2010). Organizasyonlarda önemli bir fenomen: Psikolojik sözleşme. *ZKÜ Sosyal Bilimler Dergisi, 6*(11), 1–16. <https://dergipark.org.tr/tr/pub/ijmeh/issue/54828/750549>
- Conway, J. M., & Lance, C. E. (2010). What reviewers should expect from authors regarding common method bias in organizational research. *Journal of Business and Psychology, 25*(3), 325–334. <https://doi.org/10.1007/s10869-010-9181-6>

- Çankır, B. (2021). Adalet sektöründe çalışanların çalışmaya tutkunlukları sürdürülebilir kalite algıları ile iş performansları arası ilişkide rol oynar mı? *MANAS Sosyal Araştırmalar Dergisi*, 10(3), 1785-1795. <https://doi.org/10.33206/mjss.776688>
- Çankır, B., & Arıkan, S. (2019). Examining work engagement and job satisfaction variables in their relations with job performance and intention to quit. *İşletme Araştırmaları Dergisi*, 11(2), 1133–1150. <https://doi.org/10.20491/isarder.2019.661>
- Dai, Y., Li, H., Xie, W., & Deng, T. (2022). Power distance belief and workplace communication: The mediating role of fear of authority. *International Journal of Environmental Research and Public Health*, 19(5), 2932. <https://doi.org/10.3390/ijerph19052932>
- Dikili, A., & Bayraktaroğlu, S. (2013). Psikolojik sözleşme ile iş tatmini ilişkisine yönelik bir araştırma. *Eskişehir Osmangazi Üniversitesi İİBF Dergisi*, 8(2), 205–227. <https://dergipark.org.tr/tr/download/article-file/65415>
- Dorfman, P. W., & Howell, J. P. (1988). Dimensions of national culture and effective leadership patterns: Hofstede revisited. In R. N. Farmer & E. G. Goun (Eds.), *Advances in international comparative management* (Vol. 3, pp. 127–150). JAI Press.
- Dotse, J. E., & Asumeng, M. (2014). Power distance as moderator of the relationship between organizational leadership style and employee work attitudes: An empirical study in Ghana. *International Journal of Management Sciences and Business Research*, 3(5), 63–76. <https://www.researchgate.net/publication/284617376>
- Ebrahimzadeh, R., Zahednezhad, H., Atashzadeh-Shoorideh, F., & Masjedi Arani, A. (2024). Investigating the relationship between various dimensions of organizational justice and psychological contract breach among clinical nurses: A cross-sectional study. *BMC Nursing*, 23, Article 798. <https://doi.org/10.1186/s12912-024-02454-2>

- Etikan, I., Musa, S. A., & Alkassim, R. S. (2016). Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics*, 5(1), 1–4. <https://doi.org/10.11648/j.ajtas.20160501.11>
- Eylon, D., & Au, K. Y. (1999). Exploring empowerment cross-cultural differences along the power distance dimension. *International Journal of Intercultural Relations*, 23(3), 373–385. [https://doi.org/10.1016/S0147-1767\(99\)00002-4](https://doi.org/10.1016/S0147-1767(99)00002-4)
- Fantinelli, S., Galanti, T., Guidetti, G., Conserva, F., Giffi, V., Cortini, M., & Di Fiore, T. (2023). Psychological contracts and organizational commitment: The positive impact of relational contracts on call center operators. *Administrative Sciences*, 13(4), 112. <https://doi.org/10.3390/admsci13040112>
- Freese, C., & Schalk, R. (1996). Implications of differences in psychological contracts for Human Resources Management. *European Journal of Work and Organizational Psychology*, 5(4), 501–509. <https://doi.org/10.1080/13594329608414875>
- Gençer Çelik, G., Taşkıran, E., & Öngel, G. (2023). Etik liderliğin bilgi uçurma eğilimi üzerindeki etkisi: Ahlaki kimlik ve güç mesafesi yöneliminin rolü. *Journal of Research in Business*, 8(1), 225–253. <https://doi.org/10.54452/jrb.1286880>
- Hayes, A. F. (2022). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach* (3rd ed.). Guilford Press.
- Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Sage.
- Hofstede, G. (1984). Cultural dimensions in management and planning. *Asia Pacific Journal of Management*, 1, 81–99. <https://doi.org/10.1007/BF01733682>
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations* (2nd ed.). Sage.
- House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (Eds.). (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Sage.

- İyigün, N. Ö., & Çetin, C. (2012). Psikolojik kontratın örgütsel sapma üzerindeki etkisi ve ilaç sektöründe bir araştırma. *Öneri Dergisi*, 10(37), 15–29. <https://doi.org/10.14783/od.v10i37.1012000179>
- Jahangirov, N., Sağlam Ari, G., Jahangirov, S., & Tosunoglu, N. G. (2015). The relationship between glass ceiling and power distance as a cultural variable by a new method. *International Journal of Organizational Leadership*, 4(4), 465–483. <https://doi.org/10.33844/ijol.2015.60300>
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692–724. <https://doi.org/10.2307/256287>
- Kanbur, E., & Ay, A. (2020). Psikolojik sözleşme algısının işe adanmışlık üzerindeki etkisi. *Ahi Evran Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, 6(2), 531–549. <https://doi.org/10.31592/aeusbed.615587>
- Kaplanseren, S., & Örucü, E. (2018). İşe tutkunluğun örgütsel vatandaşlığa etkisi: Otel çalışanları üzerine bir araştırma. *Trakya Üniversitesi İktisadi ve İdari Bilimler Fakültesi E-Dergi*, 7(1), 1–19. https://dergipark.org.tr/tr/pub/trakyaiibf/issue/38477/403423#article_cite
- Khatri, N. (2009). Consequences of power distance orientation in organisations. *Vision: The Journal of Business Perspective*, 13(1), 1–9. <https://doi.org/10.1177/097226290901300101>
- Kirkman, B. L., Chen, G., Farh, J. L., Chen, Z. X., & Lowe, K. B. (2009). Individual power distance orientation and follower reactions to transformational leaders: A cross-level, cross-cultural examination. *Academy of Management Journal*, 52(4), 744–764. <https://doi.org/10.5465/AMJ.2009.43669971>
- Korkmaz, C., & Bektaş, Ç. (2022). Liderlik tarzları ile çalışmaya tutkunluk arasındaki ilişki üzerine bir literatür incelemesi. *International Social Mentality and Researcher Thinkers Journal*, 8(65), 2265–2273. <https://doi.org/10.29228/smryj.66421>
- Kwan, H. K., Chen, Y., Tang, G., Zhang, X., & Le, J. (2025). Power distance orientation alleviates the beneficial effects of empowering leadership on actors'

- work engagement via negative affect and sleep quality. *Asia Pacific Journal of Management*. 42, 689–714. <https://doi.org/10.1007/s10490-024-09947-3>
- Millward, L. J., & Hopkins, L. J. (1998). Psychological contracts, organizational and job commitment. *Journal of Applied Social Psychology*, 28(16), 1530–1556. <https://doi.org/10.1111/j.1559-1816.1998.tb01689.x>
- Mimaroglu, H. Ö., & Özgen, H. (2010). Psikolojik sözleşme ve boyutlarının iş tatmini, örgütsel bağlılık ve işten ayrılma niyetine etkileri: Tıbbi satış temsilcileri üzerinde bir araştırma. *Ç.Ü. Sosyal Bilimler Enstitüsü Dergisi*, 19(1), 1–19. <https://dergipark.org.tr/tr/pub/cusosbil/issue/4383/60154>
- Morrison, E. W., & Robinson, S. L. (1997). When employees feel betrayed: A model of how psychological contract violation develops. *Academy of Management Review*, 22(1), 226–256. <https://doi.org/10.2307/259230>
- Nicholson, N., & Johns, G. (1985). The absence culture and the psychological contract—Who’s in control of absence? *Academy of Management Review*, 10(3), 397–497. <https://doi.org/10.2307/258123>
- Örücü, E., & Hasırcı, İ. (2020). Örgütsel vatandaşlık davranışı ile işe tutkunluk arasındaki ilişkinin ölçülmesi: Bankacılık sektörü ile ilgili bir araştırma. *Anemon Muş Alparslan Üniversitesi Sosyal Bilimler Dergisi*, 8(4), 1039–1045. <https://doi.org/10.18506/anemon.619626>
- Peng, L., & Li, Z. (2021). Psychological contract, organizational commitment, and knowledge innovation: A perspective of open innovation. *Problems and Perspectives in Management*, 19(2), 418–432. [http://dx.doi.org/10.21511/ppm.19\(2\).2021.33](http://dx.doi.org/10.21511/ppm.19(2).2021.33)
- Pramudita, A., Sukoco, B. M., & Li, W. (2021). The effect of psychological contract on job related outcomes: The moderating effect of stigma consciousness. *Cogent Business & Management*, 8(1), 1947556. <https://doi.org/10.1080/23311975.2021.1947556>
- Puni, A., & Hilton, S. K. (2020). Power distance culture and whistleblowing intentions: The moderating effect of gender. *International Journal of Ethics and Systems*, 36(2), 217–234. <https://doi.org/10.1108/IJOES-10-2019-0163>

- Robinson, S. L. (1996). Trust and breach of the psychological contract. *Administrative Science Quarterly*, 41(4), 574–599. <https://doi.org/10.2307/2393868>
- Rousseau, D. M. (1989). Psychological and implied contracts in organizations. *Employee Responsibilities and Rights Journal*, 2(2), 121–139. <https://link.springer.com/article/10.1007/BF01384942>
- Rousseau, D. M. (1995). *Psychological contracts in organizations: Understanding written and unwritten agreements*. Sage.
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600–619. <https://doi.org/10.1108/02683940610690169>
- Schaufeli, W., & Bakker, A. (2004). *UWES Utrecht Work Engagement Scale Preliminary Manual*. Occupational Health Psychology Unit, Utrecht University. https://www.wilmarschaufeli.nl/publications/Schaufeli/Test%20Manuals/Test_manual_UWES_English.pdf
- Schaufeli, W. B., Bakker, A. B., & Van Rhenen, W. (2009). How changes in job demands and resources predict burnout, work engagement, and sickness absenteeism. *Journal of Organizational Behavior*, 30, 893–917. <https://doi.org/10.1002/job.595>
- Soares, M.E., & Mosquera, P. (2019). Fostering work engagement: The role of the psychological contract. *Journal of Business Research*, 101, 469–476. <https://doi.org/10.1016/j.jbusres.2019.01.003>
- Thomas, K. W., Ravlin, E. C., & Wallace, A. W. (2010). The influence of perceived organizational hierarchy on psychological contract and work engagement. *Journal of Organizational Behavior*, 31(4), 567–589. <https://doi.org/10.1002/job.209>
- Turgut, T. (2011). Çalışmaya tutkunluk: İş yükü, esnek çalışma saatleri, yönetici desteği ve iş-aile çatışması ile ilişkileri. *Atatürk Üniversitesi İktisadi ve İdari Bilimler Dergisi*, 25(3-4), 155–179. <https://dergipark.org.tr/pub/atauniiibd/issue/2703/35540>

Yemenici, A. D., & Bozkurt, Ö. (2020). Çalışanların işe tutkunluğu ile kendilik algısı arasındaki ilişkinin incelenmesi: Düzce ili imalat sanayi örneği. *Çalışma İlişkileri Dergisi*, 11(1), 18–33. <https://dergipark.org.tr/tr/download/article-file/1142119>