

Redefining the Psychological Contract in a Hybrid World - A Critical Review of Organizational Commitment beyond the Physical Workplace

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Article Information

Received Date: May 20, 2026

Accepted Date: May 30, 2026

Published Date: June 03, 2026

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Citation: R.K.M Lankanath., (2026). "Redefining the Psychological Contract in a Hybrid World - A Critical Review of Organizational Commitment beyond the Physical Workplace". International Journal of Business Research and Management 4(4); DOI: 10.61148/3065-6753/IJBRM/088.

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Abstract:

The rapid global shift to hybrid work models has fundamentally disrupted the traditional employment landscape, leading to the erosion of the long-standing psychological contract—the implicit agreement governing the employee-employer relationship. This research article argues that organizations must proactively and consciously redefine this contract to sustain employee commitment, trust, and performance in a hybrid world. Through a critical review and synthesis of existing literature on the psychological contract, organizational commitment, and hybrid work, this paper identifies a significant transformation underway: a shift from relational contracts, based on loyalty and physical presence, towards more balanced or transactional contracts centered on flexibility, outcomes, and equitable treatment. The analysis highlights key challenges, including the risks of proximity bias, weakened social cohesion, and a potential two-tier workforce, which pose a direct threat to affective and normative commitment. Consequently, the role of Human Resource Management (HR) becomes critical in fostering an inclusive culture, ensuring equity, redesigning communication, and safeguarding employee well-being. The paper concludes by proposing a strategic framework for rebuilding a resilient psychological contract, positioning it as a cornerstone for organizational success in the new era of work beyond the physical workplace.

Keywords: psychological contract, hybrid work, organizational commitment, remote work, employee-employer relationship, flexibility, proximity bias, social cohesion, human resource management (HRM), employee well-being, distributed workforce, affective commitment, normative commitment, continuance commitment, talent retention

1. Introduction

1.1. The Post-Pandemic Paradigm Shift

The modern work environment is experiencing a radical shift, and hybrid work is becoming a commonplace phenomenon that has become popular and rapidly introduced into the work environment. This change is a radical break with established traditions, as it upsets established ideas about place and the way business is performed (Sherman et al., 2025). This new terrain, as organizations and employees move around it, is putting the whole basis of the employment relationship to the test, and increasingly, there is a need to re-examine critically the implicit covenants that hold the relationship together.

1.2. The Case of the Main Issue: The Contract with Strain.

The central element to this relationship is the psychological contract - the unwritten reciprocal set of expectations and obligations between the employer and employee. The main argument of the given paper is that the transition to hybrid models has led to the fact that this base agreement has been literally shaken and created ambiguity and mutual distrust between the employees (The Experiences and Views of Employees on Hybrid Ways of Working, 2025). The instability becomes a direct threat to organizational commitment since the perceived breaches of the agreement might result in disengagement and poor performance (Sherman et al., 2025).

1.3. Research Aim and Article Structure

The purpose of this paper is to critically analyze how hybrid work has affected the psychological contract and to suggest strategic ways for Human Resources (HR) that can be used in redefining the psychological contract. The theoretical underpinnings will be dismantled, fractures created by hybrid work analyzed, and an outline of re-establishing a robust contract in this new era offered in the following sections.

Table 1: Key Dimensions of Psychological Contracts

Dimension	Relational Contract	Transactional Contract
Time Frame	Long-term, open-ended	Short-term, specific duration
Focus	Socio-emotional, loyalty, stability	Economic, monetary exchange, specific deliverables
Scope	Broad, poorly defined	Narrow, well-defined
Stability	Dynamic, subjective	Static, tangible
<i>Examples in Hybrid Work</i>	<i>Trust, career development, organizational belonging</i>	<i>Clear performance metrics, flexible hours for output</i>

2.2. The Three Pillars of Organizational Commitment

Organizational commitment as one of the main results of a healthy psychological contract, is best explained using the tripartite model proposed by Allen and Meyer (1990), which is one of the key measures in this analysis. The commitment is related to the emotions of the worker to the organization, its connection with the worker, and involvement; the employee remains because he or she wants to (Remote and Hybrid Work Models, 2025). Continuance commitment is based on the perceived cost of leaving the organization in terms of economic and social costs; employees do not leave because they have to do it but usually because there are no other options or because of sunk costs. Last but not least, normative commitment is a sense of moral duty to stay with the employer; employees will stick with the employer because they should, and sometimes it is due to a sense of duty that the organization may have developed towards them (An Exploration of How Working Virtually Impacts the Psychological Contracts, 2025).

2.3. The Pre-Pandemic Symbiosis

Traditionally, the office-based traditional model inherently enabled

2.Theoretical Foundations: Unpacking the Psychological Contract and Commitment

2.1. The Anatomy of the Psychological Contract

The psychological contract is a basic conceptual base to explain the nature of the employment relationship, which is the unwritten, perceptual set of mutual promises and obligations between an employee and their organization (Sherman et al., 2025). This unspoken contract is generally divided into two different ideal forms, which are on a continuum. At one end, there is a relational contract, which is long-term, emotionally oriented, and based on mutual loyalty, job security, and socio-emotional exchange (An Exploration of How Working Virtually Impacts the Psychological Contracts, 2025). Conversely, the transactional contract is not long and economically oriented and has particular, narrow obligations like pay as performance and does not focus a lot on emotional attachment (Sherman et al., 2025). The difference between these forms is essential in the analysis of the effects of work redesign on how the employees perceive the same.

a relational psychological contract towards a larger part. Loyalty, belonging, and shared identity, facilitated by the daily social interaction and constant physical proximity, directly reinforced affective and normative commitment in turn (The Experiences and Views of Employees on Hybrid Ways of Working, 2025). The office environment as such provided a crucible of bonding these ties together, and so the implicit conditions of the relational contract, which included mutual support and long-term investment, were made reality and continually reenacted through informal interactions and experiences, providing a symbiotic relationship between the work situation and the psychological condition of devotion.

3. The Hybrid Disruption - Fractures in the Traditional Contract

3.1. Erosion of Relational Elements

The shift to hybrid work has grossly compromised the relational aspects that the traditional psychological contract relied on. The main crack is the confusion of loyalty and presence; the ways of showing commitment have become vague. The traditional

indicator of the face time is gone when people are not physically co-located, and the effect is known as proximity bias, the unconsciousness in which managers tend to prefer the employee they meet in the office daily (The Experiences and Views of Employees on Hybrid Ways of Working, 2025). It may lead to misjudgments concerning the efficiency and effort of remote workers, which will create a core dissonance in the employer's understanding of the role of the employee (Sherman et al., 2025). At the same time, the loss of social cohesion and socialization within the organization is a serious issue. The casual, informal exchanges in office halls and break rooms, which are essential in establishing trust, mentoring connections, and learning organizational culture, are severely minimized within a hybrid environment ("An Exploration of How Working Virtually Impacts the Psychological Contracts," 2025). This hinders the derivation of social norms and shared identity that is the foundation of affective commitment, and the employees feel less emotionally attached to the organization and its employees.

3.2. The Fall of the Equivalent Contract

As a reaction to this erosion, the hybrid model is driving a change towards a more moderate, but possibly more vulnerable, psychological contract. This is a rebalancing exercise that brings on board fresh currencies and expectations. To the employee, autonomy and flexibility are strong new inducements. Control over the work schedule and environment is now one of the strongest values of the employees, and they are treated as part of the reciprocal exchange (Flexible Work Models and Hybrid Work Culture, 2025; Effects of Hybrid Work on Psychological Detachment, 2024). Organizational results are becoming a keener point of focus than activity in exchange for this treasured flexibility. Such an impossibility to observe the working process directly is forcing a managerial change where monitoring presence will be replaced by measuring tangible outcomes and output (Remote and Hybrid Work Models, 2025). This shifts the contractual aspect to a more transactional one, in which clarity on deliverables is of the essence, and the previous relationship focus on how and where work is done becomes less prevalent. The table below shows this new equilibrium.

Table 2: The Shifting Equilibrium of the Psychological Contract in Hybrid Work

Contractual Element	Traditional (Office-Centric) Focus	Hybrid (Re-balanced) Focus
Primary Employee Contribution	Time, physical presence, overt loyalty	Tangible outputs, results, digital visibility
Primary Employer Inducement	Job security, career progression, stable environment	Flexibility, autonomy, well-being support, tech enablement
Basis of Trust	Observability of effort and commitment	Delivery on agreed outcomes and quality
Inherent Risk	Stagnation, group-think	Fragmentation, perceived inequity, weakened culture

3.3. The Equity and Inclusion Dilemma

One of the most dangerous and natural dangers of the hybrid model is the possibility of forming a bi-level workforce. Inequality may easily arise between the individuals who often sit in offices and those who are largely distant, especially in regard to access to informal mentoring, impulsive information, and career-promotional chances (An Exploration of How Working Virtually Impacts the Psychological Contracts, 2025). Workers who work at home can be unwillingly shut out of important, spontaneous conversations taking place in the physical environment, which restricts their access to networks and sponsors. Uncontrollable, these dynamics contribute to the violation of fairness, which is one of the most harmful violations of the psychological contract. Employees appear to be holding back due to the location, and not the performance, of their job; therefore, when they feel that their potential for growth or participation is suppressed, they will destroy the trust and negate even the sense of moral obligation that

contributes to normative commitment (The Experiences and Views of Employees on Hybrid Ways of Working, 2025). Such a feeling of systemic injustice can cause a downward slope of participation and devotion throughout the entire organization, and not only amongst the distant group.

4. Implications for Organizational Commitment in a Distributed Environment

4.1. Reforging Affective Commitment from a Distance

The erosion of the relational contract calls for conscious building back of an emotional connection at the core of affective commitment. This starts with conscious culture-building, moving from organic office culture to a consciously built one supported by technology. Organizations should use virtual platforms to build online communities allowing social exchange; at the same time, meaningful face-to-face meetings should be utilized to reinforce common values and shared identity ("An Exploration of How Working Virtually Impacts the Psychological Contracts," 2025).

Such structures are vital to rebuilding a sense of belonging. Leadership presence and communication become highly pertinent in hybrid settings. Leaders need to be visibly present in the digital space, embrace radical transparency, and focus on employee well-being rather than productivity alone. According to "The Experiences and Views of Employees on Hybrid Ways of Working, 2025," sustained empathetic interaction helps rebuild trust, which forms the foundation of affective commitment in a distributed workforce.

4.2. Sustaining Normative Commitment Through Shared Purpose

Normative commitment, or the sense of obligation to stay with an organization, needs to be explicitly nurtured in a hybrid context where fewer physical cues exist. One critical lever that drives this is clarity of organizational purpose: a well-articulated and consistently communicated mission offers a shared ideological anchor that grounds collective effort, regardless of location, for a distributed workforce (Remote and Hybrid Work Models 2025). Employee development also plays a significant role. Offering relevant learning opportunities and having career-pathway conversations with all employees, regardless of their location, demonstrates long-term investment in the organization. This displays a belief and a commitment on behalf of the employer and creates a sense of mutual obligation. It further solidifies for the employee their moral obligation to give back in the form of loyalty, enhancing normative commitment.

4.3. The Shifting Dynamics of Continuance Commitment.

The hybrid model has a fundamental change in the calculus of continuance commitment - the perceived cost of quitting. Particularly, it leads to a reduced cost of exit. Namely, the development of remote-work opportunities on a global scale presupposes that an employee is not geographically bound to their current employer anymore (An Exploration of How Working Virtually Impacts the Psychological Contracts, 2025). The perceived cost that comes with the loss of location-specific benefits, or ties of community, which once attached an employee with a strong bond, is thus reduced. The resultant loss of structural barrier to exit position gives the stronger psychological ties of affective and normative commitment enormous strategic significance as the key instruments of talent retention in the hybrid era.

5. A Strategic Blueprint for HR: Rebuilding the Contract and Reinforcing Commitment

5.1. From Policy to Principle: Rethinking Work Design

Human resource management should be at the forefront of a shift in the form of strict policies to guiding principles to restore a sustainable psychological contract. This starts with creating strict, fair hybrid principles that transcend dictums on the number of days in the office and set the expectations on communication, collaboration, and performance that can be applied universally, regardless of the physical location of an employee (An Exploration of How Working Virtually Impacts the Psychological Contracts, 2025). The basis of equity should be backed up by a radical change in performance management, which is focused on output. The new currency of hybrid work, where contribution is measured by impact and not hours worked or physical presence, is the redesigning of systems to concentrate on clear objectives and key results (OKRs) instead of hours logged or physical presence as the basis of

organizational evaluation (Remote and Hybrid Work Models, 2025).

5.2. Learning How to Digital-First Communicate and Collaborate.

Fairness and proximity bias also mean that HR now has to account for the digital workspace as the new office floor. This includes making sure collaborative technologies create one source of truth and training managers in performance reviews based on outcomes instead of visibility. Virtual meeting best practices - including individual devices and digital whiteboards - enable full participation for those working remotely, which supports and protects the psychological contract. An Exploration of How Working Virtually Impacts the Psychological Contract, 2025.

5.3. Focusing on Holistic Well-being and Burnout Prevention.

Hybrid working blurred the boundaries between work and home life, increasing the risks of burnout and digital fatigue. Recognizing these risks is important for fulfilling a duty-of-care responsibility based on the psychological contract. One of the most important interventions is extensive manager training so as to help leaders monitor well-being, check in regularly, model healthy disconnection, and conduct supportive mental health conversations. Through such managerial practices, well-being moves from an abstract value to a lived organizational commitment.

5.4. Restructuring the Employee Experience (EX) Journey.

The entire employee life cycle needs to be redesigned for hybrid work. Onboarding should be designed to deliberately build in virtual social connection and cultural immersion. Research on Psychological Contract in Globally Dispersed Virtual Teams, 2025. Organization-wide career development should be done on purely meritocratic lines, with mentorship and promotion opportunities extended to remote and in-office staff alike. Flexible Work Models and Hybrid Work Culture, 2025.

6. Conclusion - Towards a Resilient and Mutually Beneficial Future

6.1. Synthesis of Key Arguments

This discussion has explained how the hybrid model has significantly pushed the traditional, relational psychological contract to breaking point, leading to a required repositioning of the psychological contract into a more balanced and explicit deal based on flexibility, equity, and quantifiable results.

6.2. The Redefinition Necessity of Redefining Proactively.

Organizations will never be spectators of this change. Redefining this implicit contract before it starts is a business imperative, vital in maintaining organizational commitment, talent acquisition, and long-term performance in this new era.

6.3. Final Thought

Finally, the future of work will not be determined by the issue of location, but it will be determined by the quality of agreements that we are able to strike. Those organizations, which will be able to deliberately reestablish trust and commitment on this new and more durable basis, will be successful.

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