

Breached, Redefined and Algorithmically Governed: How Digitalisation Is Reshaping Psychological Contracts at Work A Systematic Review of Empirical Evidence (2022–2025)

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Abstract

The psychological contract (PC)—understood as employees' perceptions of mutual obligations between themselves and their organisation—remains a central mechanism shaping workplace attitudes and behaviours. However, rapid digitalisation is transforming the conditions under which PCs are formed, maintained and breached. Platform labour, algorithmic management, remote work and artificial intelligence (AI) introduce dynamics that existing frameworks—largely developed for traditional employment—only partially capture.

This study addresses the limited synthesis of recent empirical evidence on PCs in digitally mediated work. Following PRISMA guidelines, the review draws on peer-reviewed studies indexed in Web of Science and Scopus, focusing on research explicitly linking PC constructs to digital work contexts.

Five thematic clusters were identified. Algorithmic control in gig and platform work is associated with erosion of relational and transactional PCs, while perceived fulfilment remains a key driver of retention. In remote work, digital connectivity creates dual resource dynamics—enhancing insider status while increasing breach risk. Emerging research on AI links its presence to job insecurity perceptions, which are associated with PC breach and counterproductive behaviours. PC breach is also identified as a mediating mechanism between digital stressors and adverse outcomes. Non-standard digital work arrangements further extend these dynamics beyond the traditional employment dyad.

The findings suggest three structural shifts: algorithms and AI are increasingly perceived as quasi-contractual actors; organisational and platform boundaries are becoming blurred; and digital labour relations are characterised by growing asymmetry. These insights call for updated PC frameworks that account for algorithmic management, AI diffusion and evolving digital connectivity norms.

Keywords: psychological contract, digitalisation, algorithmic management, gig economy, systematic literature review