

An Empirical Study on the Content of Psychological Contract

—Taking Chinese hotel staff as the research object

Xia Wang

TaiShan College

Tai'an, Shandong Province, China

summerwang79@126.com

Abstract—This study analyzes the structure and content of the psychological contract of hotel employees. This study Uses the empirical research through the questionnaire survey and analyzes the collected data using factor analysis method. The study found that there is a four-dimensional structure in the content of psychological contract of hotel employees. Furthermore, the study found different perceptual intensity on different dimensions of psychological contract through comparing each factor in sample demographic structure.

Keywords— *Psychological Contract; Hotel Management; Hotel Employee; Organizational Responsibility; Employee Liability*

I. INTRODUCTION

The “Psychological Contract” was originally proposed by Argyris, the American organizational psychologist. In 1960s, he wrote “understanding organizational behavior”, using the term “psychological work contract” to describe the relationship between employees and employers in the factory [1]. In 1965, the famous American administration of management, e. h. Schein, defined the psychological contract as a series of written expectations that always exist between an organization and its members [2]. In the 1980s, the concept of “psychological contract” was further developed. Rousseau proposes a more narrowly concept. They believe that “psychological contract” is a kind of understanding or belief about the responsibilities of both parties. It is formed on the basis of promises, trust and perception [3].

In addition to this, many scholars’ studies are focus on the content structure of psychological contract. Empirical research has been carried out in various industries [4]. Rousseau (1990) was the first to discuss the content of employee psychological contract. Through the investigation of research objects in different industries, he found that there were 7 aspects of employer responsibility and 8 aspects of employee responsibility in employee psychological contract. He also put forward the two dimensional structure theory based on the transaction contract and the relationship contract [5]. Our study follows this theory. The two-dimensional structure theory also has the external contract and the internal contract theory, which was proposed by Kickul and Lester (2001, 2002) [6].

The study of the psychological contract in China is still only based on the verification research and the application

research, and there are few creative achievements [7]. The restaurant industry is an industry where the rate of employee turnover is high. This study applies the theory of psychological contract to the Chinese hotel industry, with the intention of making a modest attempt on the cross-cultural study of psychological contract.

II. MEASUREMENT OF HOTEL EMPLOYEES' PSYCHOLOGICAL CONTRACT STRUCTURE DIMENSION

A. Purpose of measurement

1) *Investigate hotel employees’ content of psychological contract.*

2) *To explore the structural dimensions of “organizational responsibility” and “employee liability” in the employee psychological contract.*

3) *To understand the basic features of the hotel employee's psychological structure*

4) *In order to reduce the hotel staff turnover to provide theory and practice basis.*

B. Questionnaire design and sample selection

This questionnaire design includes three parts, The first part is the employee demand (“what do you think that your hotel needs to provide to employees”, problem A1 -- A25, 25 items in total); The second part is the employee responsibility section (“what do you think that you should be responsible for the business”, the problem B1--B15, 15 items in total); The last part is the reason for the loss(“Under which circumstances would you resign”, the problem C1--C8, 8 items in total). In order to avoid the middle-trend reaction, the scoring method uses the Linker level 5. In order to test the questionnaire, the representativeness of the program and the quality of the questionnaire, has been Pre-tested and discussed among 10 graduate students majoring in hotel management. It also requests that opinion of experts and restaurant manager.

A total of 350 questionnaires were randomly distributed in this survey, and 312 valid questionnaires were recovered, with a recovery rate of 89. 1%. The questionnaires covered 5 hotels of different economic attributes, sizes and types in china.

C. Sample structure

1) Distribution by sectors

The effective questionnaire covers 9 departments of the hotel. See Fig.1.

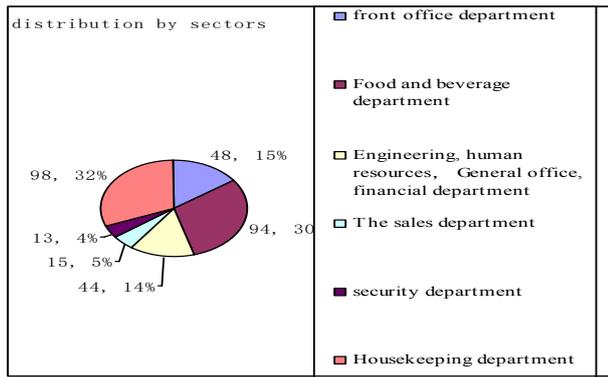


Fig. 1. Distribution of the Sample in the Department

2) Job position and sex ratio

In the effective questionnaire, the ratio of basic employees to managers is close to 4:1. The number of women is more than twice the number of men. See Fig. 2.

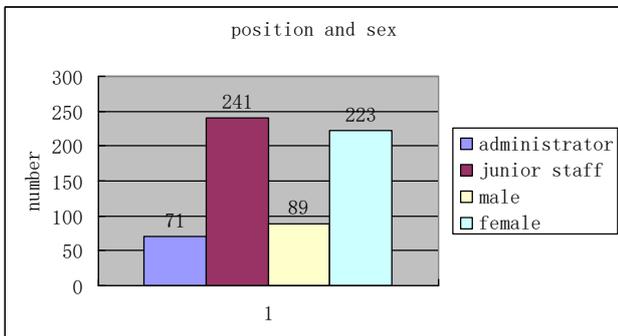


Fig. 2. Position and Gender Distribution

3) Age distribution

The age of a restaurant employee is generally lower than other industries. In this survey, there are more employees aged 20-25, followed by those under 20. See Fig. 3.

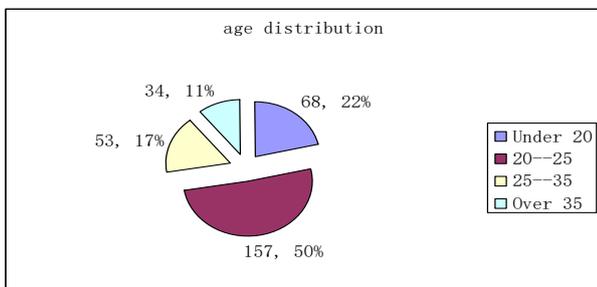


Fig. 3. Age Distribution

4) Education background and working years

In china, the employment threshold of the hotel industry is relatively low, so its employees generally do not have a high

degree of education. In this study, almost half of the employees surveyed have worked in restaurants for less than 1 year. 12% employees have worked for more than 3 years. See Fig. 4, Fig. 5.

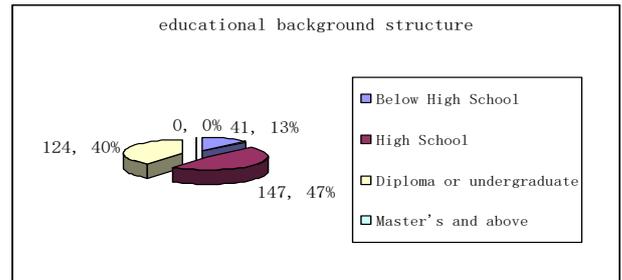


Fig. 4. Educational Background of Samples

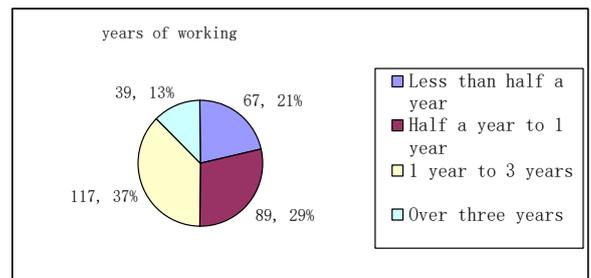


Fig. 5. Sample Working Years

D. The investigation and analysis tools

The survey is mainly composed of hotel human resources manager or department manager, which is completed in a relatively concentrated time. This study mainly uses factor analysis method and is completed by SPSS12.

E. Results of the analysis

1) Exploratory factor analysis for "organizational responsibility"

This study uses the main ingredient method to analyze the sample data from "organizational responsibility" part of the questionnaire. By carrying out KMO and Bartlett Test Of Sphericity. As shown in TABLE I, the sample is suitable for the factor analysis.

TABLE I. KMO AND BARTLETT TEST OF SPHERICITY

Kaiser-Meyer-Olkin	Sampling adequacy	0.769
Bartlett Test of sphericity	Chi-squared distribution	1468.732
	Degree of freedom	120
	Significance Level	0.000

On the analysis, by normalizing the indexes with Statistical Software SPSS12.0, rotating them by the method of varimax, analyzing the component matrix, seven components were draw. We delete items whose common degree is less than 0.4 and whose factor load is greater than 0.4 in two or more factors. Lastly, we extracted four factors; accumulated Variance Contribution Rate of four is 64.384%. The common degree of each project is above 0.456, with an average of 0.662. The

content and factor loading of each project are shown in TABLE II.

From the data, we get four factors of “organizational responsibility” in employees' psychological contract:

The first factor includes the economic benefits and material security provided by the hotel, such as “pay salary and bonus on time according to individual performance” and “provide corresponding welfare guarantee for employees”. These contents mainly involve the economic exchange between enterprises and employees. We call them “economic factor”.

TABLE II. FACTOR STRUCTURE AND FACTOR LOADING OF EACH PROJECT

Project	Factor				Communalities	Accumulated variance interpretation after axis rotation
	1	2	3	4		
A14	.857				.785	29.519
A8	.810				.708	
A11	.584				.721	
A16	.525				.660	
A12	.484				.456	
A17	.460				.492	
A25	.779				.706	48.338
A24	.744				.607	
A23	.685				.632	
A20	.639				.530	
A9	.818				.760	
A21	.703				.578	56.819
A7	.561				.634	
A18	.499				.599	
A3	.871				.821	
A1	.747				.610	64.384

The second factor includes “the hotel should have a reasonable and standardized management system”, “implement the system with the same standard for everyone (treat each employee fairly)”, “promote the staff according to their ability and performance” and other contents. These contents involved the requirements and expectations of employees to enterprise' management system. The hotel enterprise should be responsible for providing the management standards, fair, and orderly environmental to their employees. We call them “institutional factor”.

The third factor including “care staff personal life”, “creates a ‘kinship’ relationship between Upper and lower”, “exchange information with employees”, and so on. These contents mainly involve that the hotel should provide a harmonious interpersonal environment, should allow the staff to be able to help each other, to create a sense of belonging to the restaurant. It's called “interpersonal factor”.

The fourth factor includes “provide employees the opportunities of learning and training”, “help employees establish personal development goals and provide clear career development plans”, etc. These contents mainly focus on the hotel's training for employees, providing space for career development for employees, so employees can feel achievement, which can be called as the “career development factor”.

2) *Exploratory factor analysis for “employee responsibility”*

We also analyzed the sample data from “employee responsibility” part of the questionnaire by using main ingredient method. The data was shown in TABLE III, TABLE IV.

As we can see from the chart 2-9, there are four dimensions to the employee's psychological contract:

TABLE III. KMO AND BARTLETT TEST OF SPHERICITY

Kaiser-Meyer-Olkin	Sampling adequacy	0.832
Bartlett Test of sphericity	Chi-squared distribution	1651.808
	Degree of freedom	105
	Significance Level	0.000

TABLE IV. FACTOR STRUCTURE AND FACTOR LOADING OF EACH PROJECT

Project	Factor				Communalities	Accumulated variance interpretation after Axis rotation
	1	2	3	4		
B6	.771				.685	20.272
B5	.712				.805	
B7	.602				.636	
B9	.565				.524	38.347
B11	.735				.632	
B10	.625				.599	
B13	.524				.537	
B1	.844				.709	51.819
B8	.718				.620	
B3	.627				.745	
B2	.574				.683	
B4	.890				.808	
B14	.567				.626	63.239
B15	.451				.658	

The first dimension includes “giving unselfish support at critical moments of the hotel”, “not changing jobs at will” and “working overtime without conditions during peak business season”, etc. These contents refer to the responsibilities and obligations that employees should bear for enterprises. So they are called economic transaction factors.

The second dimension consists of “keeping the restaurant business confidential”, “saving resources, effective controlling costs”, “following the rules and regulations of the restaurant”, which is called institutional standard factor.

The third includes “creating good team spirits”, “keeping good relationship with guest”, etc. These contents are called interpersonal relationships factor.

The fourth including “professional services and management skills”, “has a good marketing consciousness”, they are called career development factors.

3) *Exploratory factor analysis for “reasons for resignation”*

TABLE V and TABLE VI shown: there are two main factors that can be summed up for the employee's departure.

The first factors involve “restaurants can't provide good benefits”, “restaurants can't provide good vocational training”, “no development, and no promotion” and so on. It's about the

welfare of the staff and the opportunities for the employees. Therefore, it is called economic and development factors.

The second factor includes “lack of respect”, “complicated interpersonal relationship”, and “insufficient rest” etc. , which involve employees’ reactions to the interpersonal environment of the organization.

TABLE V. KMO AND BARTLETT TEST OF SPHERICITY

Kaiser-Meyer-Olkin	Sampling adequacy	0.675
Bartlett Test of sphericity	Chi-squared distribution	485.713
	Degree of freedom	28
	Significance Level	0.000

TABLE VI. FACTOR STRUCTURE AND FACTOR LOADING OF EACH PROJECT

Project	Factor		Communalities	Accumulated variance interpretation after axis rotation
	1	2		
C3	.850		.797	35.013
C4	.791		.674	
C5	.611		.441	
C8	.850		.723	65.897
C2	.794		.660	
C7	.542		.442	
C6	.473		.435	

In addition, a physical transition overdraft is sure to give rise to a mental stress, so the factor is named as a mental health factor.

III. THE IMPACT OF DEMOGRAPHIC FACTORS ON HOTEL PSYCHOLOGICAL CONTRACTS

A. Purpose of measurement

Check the employee’s perception difference of psychological contract by gender, age, grade, department and working year.

B. Research methods

This study explores the influence of demographic characteristics on employees’ psychological contract, mainly uses the single factor analysis of variance (one - way ANOVA) method. One-way ANOVA is mainly used to determine whether there is a significant difference in the perception of employees’ psychological contract between different demographic groups. Using this analysis method, the employees were divided into groups from five aspects of gender, age, working years, grade and department.

C. The research process

1) Gender

In terms of gender, this study analyzes the content of “organizational responsibility” and “employee responsibility” of psychological contract by one - way ANOVA method.

As is shown in Fig. 6 there is no significant difference between the sexes in the overall level of organizational responsibility, but more significant difference in interpersonal responsibility and career development responsibility (p<0.05). Women have a higher level of perceived interpersonal

responsibility than men. Men’s perceptions of responsibility for career development are more pronounced.

In organizations, women are more concerned with their environment, especially their interpersonal environment.

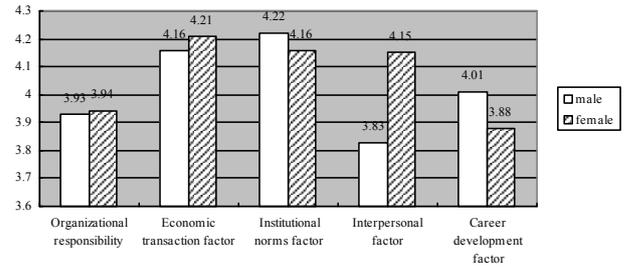


Fig. 6. Different Gender Employees Data Contrast (organizational responsibility)

2) Age group

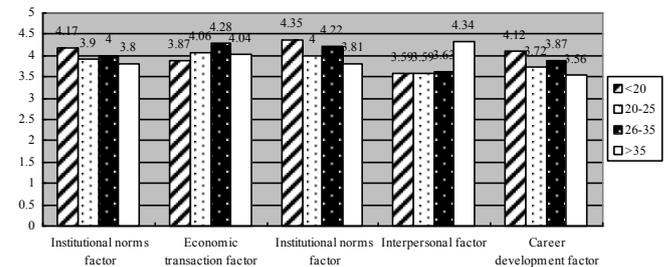


Fig. 7. Different Age Employees Data Contrast (organizational responsibility)

According to the age data (Fig. 7), there is no significant difference in the perception level of “organizational responsibility” and “employee responsibility”. This result is inconsistent with the general theory that employees’ psychological contract will change along with their career. It needs to be further discussed in future studies.

At the same time, we also notice that employees in the age group over 35 have a higher perception of interpersonal relationship responsibility than those in other age groups. This indicates that older age employees have a certain dependence on the work environment and will not easily change the work environment they have already adapted to.

3) Position

We divide hotel employees into two categories: basic employees and management. Due to questionnaire limitations, management mainly refers to middle managers. Through analysis (Fig. 8), we can see that there is no much difference in the perception level of “organizational responsibility” among different groups. However, the perceptive differences of factors in the structural dimension of “organizational responsibility” all reached a significant level. In the sense of interpersonal

responsibility, career development responsibility, Grassroots employees are much higher than managers. But in economic transaction responsibility and institutional standard responsibility, the perceived level of management is higher ($p < 0.05$).

On the other hand, in the perception level of "employee responsibility", in addition to the institutional responsibilities, there are significant differences in other dimension responsibilities. The perception level of grassroots employees was lower than that of the management ($p < 0.01$). (Fig. 9)

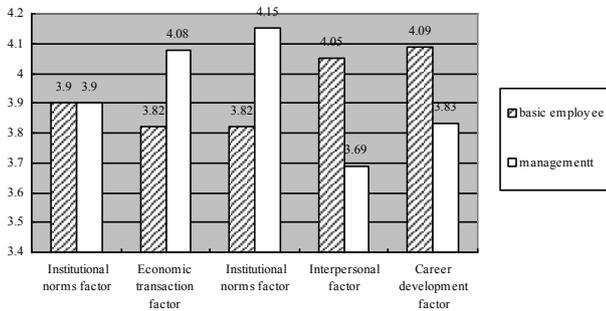


Fig. 8. Different Position Employees Data Contrast (organizational responsibility)

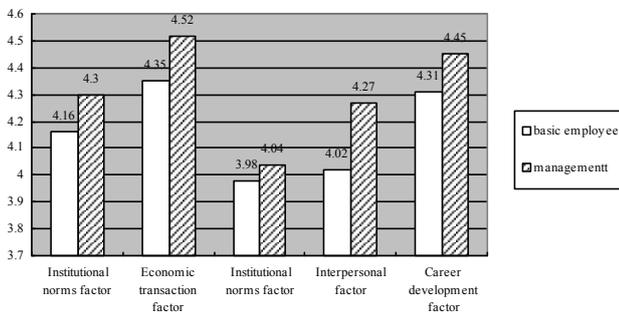


Fig. 9. Different Position Employees Data Contrast (employee responsibility)

Through data analysis, we think, since the basic employee is at the beginning of the career, their working environment is relatively poorer. They need work more tired. So the basic employees have a stronger desire to be promoted, pay more attention to the opportunities for promotion and the interpersonal environment at work than the salary. The position of management is in the middle and late period of career, because the space of promotion is limited, they pay more attention to economic benefits. This is a big problem for the professional managers in the hotel industry now. They want more money, they don't want to development together with enterprise, they change jobs more often.

4) Years of working

We divided the subjects into three groups according to the length of time they worked in the restaurant.

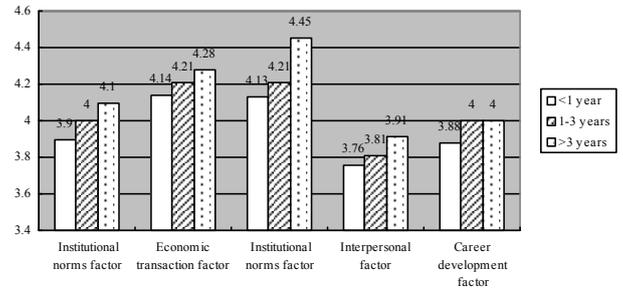


Fig. 10. Different working years Employees Data Contrast (organizational responsibility)

Through analysis, we can see that there are significant differences between the three groups in the perceived level of institutional standard responsibility and interpersonal relationship responsibility ($p < 0.05$). (Fig. 10) In addition, the perceived level of "employee responsibility" has not significant difference.

The length of working time represents how well the employee understands the business and how deeply employees are integrated into the enterprise. As employees join the company for more time, More or less, they will encounter unfair or unreasonable things. Employees' requirements on corporate system and standard responsibility will be increased,

IV. CONCLUSION

A. The employee's psychological contract has a four-dimensional structure

Through this study, it is concluded that there are four dimensions in employees' psychological contract, namely "organizational responsibility" and "employee responsibility". These four dimensions include: economic transaction responsibility, institutional standard responsibility, interpersonal responsibility and career development responsibility. Organizational responsibility and employees responsibility is a kind of parallel relationship, one aspect of organizational responsibility corresponds to the other aspect of employee responsibility. This research result is consistent with previous studies (Rousseau, Yuan Li, Jia Zhou Chen).

This research is the study of employees' psychological contract in hotel industry. In addition to "trade, interpersonal, development" structure dimensions which have found before studies, we also found another factor---"regulation". It mainly refers to the expectation and hope of employees in their work environment, such as whether they have clear and standardized rules and regulations, whether they have a fair, open and fair competition environment. In the mind of the employees, the enterprise should be responsible for providing a fair, orderly environment for the employees. At the same time, employees also realize that they should obey the rules and takeover the responsibilities for the enterprise. Such as not cheating, cheating customers, cheating companies, loyalty to the hotel, keeping hotel business secrets, and so on. In previous studies, these content have not become a dimension independently;

more of them are classified into transaction factors or relationship factors.

B. Conclusion of different factors

By comparing the differences of psychological contract in gender, age, working years, and other aspects of employees, we get the following conclusions:

1) Women are more care about if organization provides a better interpersonal environment. Men, on the other hand, are more concerned with organization's responsibility of helping their careers development.

2) There is no significant difference in employees' psychological contract with age. As the growth of the age of employees, they have higher requirements for organizations to take responsibility for relationships.

3) In terms of the perception of organizational responsibility, basic employees pay more attention to interpersonal responsibility and career development responsibility than managers, while managers pay more attention to economic transaction responsibility and institutional standard responsibility.

4) The longer employees work, the higher their requirements will be for "institutional responsibility" and "interpersonal responsibility".

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