

**The psychological contract under crisis: an
exploration into the psychological contract of
Ireland's hospitality employees during COVID-19**

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Abstract

Purpose – The emergence of COVID-19 has renewed discourse surrounding the significance of the psychological contract in the employment relationship. Scholars have recently observed that the psychological contract has been heavily affected by organisational change at the hands of COVID-19. Prior to this, contemporary psychological contract research had paid little attention to crises. COVID-19 has had an exceptionally heavy impact on Ireland’s hospitality industry, with unemployment rates soaring following government closures. The aim of this research is to add knowledge to the understanding of the psychological contract under crisis in Ireland’s hospitality industry.

Research Design – This a quantitative study, cross sectional in nature using a scale-based, closed questionnaire; Rousseau’s (2000) Psychological Contract Inventory. The targeted population included individuals employed in Ireland’s hospitality industry who experienced COVID-19 related temporary layoff. Statistical analysis is used to examine the relationship between styles and content of the psychological contract to test the hypotheses posed.

Findings – The findings indicate relational contracts dominate the sample tested and consistent communication as well as internal development opportunities support organisational commitment through crisis. Contrary to contemporary studies, this research finds that perceived employer obligations have been fulfilled and demonstrates no correlation between fulfilled employer obligations and turnover intention.

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Key

Abbreviation	Explanation
HRM	Human Resource Management
PC	Psychological Contract
PCI	Psychological Contract Inventory (Rousseau, 2000)
SET	Social Exchange Theory

CHAPTER 1: INTRODUCTION

1.1 Introduction

This section of the paper will focus on establishing a basic understanding of the psychological contract (PC) and its role in the employment relationship. It will then introduce the concept of context by providing a primary understanding of the impact of crises and the consequential effect of organisational change on the PC. It will provide a brief overview of the relevant effects of COVID-19 on the hospitality industry by including recent statistics. The section will then provide an indication of the direction of the research at hand by identifying gaps in the literature to be discussed and proposing the research question at hand as well as introducing hypotheses to be tested.

1.2 The Psychological Contract

Today, the PC can be described as an implicit contract based on uniquely individual characteristics present in the symbiotic employment relationship (Kew and Stredwick, 2016). In more basic terms, the PC represents the subtle and unspoken exchanges between the employee and employer, which forms a mutual understanding of expectations and obligations (Rousseau, 1989). The concept of mutuality and obligation in the employment relationship first appeared in the form of social exchange theory (SET) (Blau, 1964). Argyris (1960) observed the PC as a personification of the subtle exchanges in the employment relationship notwithstanding the traditional, written contract. PC theory has developed greatly over time with many scholars exploring its cause and effects through empirical and theoretical research and observations (Freese and Schalk, 2008). The seminal works of Rousseau (1990, 1998, 2000) arguably form the foundation of the thought structure that supports the validity of the PC in human resource management (HRM). While Rousseau's (2000) work has been supported by other influential scholars including Millward and Hopkins (1998) and Freese and Schalk (2008) the PC has not been without its critics including Guest (1998). Recent publications by Budd (2020) and Kaufman (2014) question whether the PC is losing its viability and diverting gaze from the fundamental principles of HRM.

Nevertheless, Rousseau's (1989) seminal work observed distinctive characteristics derived from the employment relationship; noting the juxtaposition of styles of contract and their

corresponding characteristics. MacNeil (1985) first observed two apparent styles of PC; 'transactional' and 'relational' while discerning the behaviour led characteristics that establish these styles of contract within the employment relationship. Rousseau (2000) went on to further extend the PC to encompass four dimensions including 'transactional' and 'relational' with the addition of 'balanced' and 'transitional'. The purpose of understanding the PC to this extent is to become cognisant in how best to fulfil the needs of the employee and the employer for the purposes of the optimal organisational performance. With this in mind one can surmise that the premise of a positive PC is that perceived mutual obligations are fulfilled (Kew and Stredwick, 2016). Rousseau (2004) contends that prioritising fulfilment can manage losses that may be incurred from damage caused to the PC.

1.3 Psychological Contract and Change

Freese *et al.* (2011) observe that studies have revealed that organisational change often results in breaches to the PC, usually as a result of ineffective or ill prepared HR systems and processes (Wu *et al.*, 2021). In assessing breaches to the PC, Freese *et al.* (2011) draw important distinctions between the definition of breach and the definition of a violation. In their words a breach represents a perceived wrongdoing while a violation represents an emotional response (Freese *et al.*, 2011). Freese and Schalk (2008) suggest that it is essential to consider the presence of breach and/or violation in the PC and so consider measurements of analysis without a breach of violation scale to be invalid. This endorses the implementation of Rousseau's (2000) Psychological Contract Inventory (PCI) as the measurement of analysis applied to this study. While breach and/or violation are important indicators of a negative or inefficient employment relationships, this paper is concerned with the correlation between rudimentary characteristics associated with the style of PCs, particularly, organisational commitment, turnover intention and job security.

Saunders (2006) suggests that where there is a forced change in the employment contract, there is a subsequent shift in the employees perception of the PC. While Saunders (2006) study is based on a change from permanent to temporary contracts, a different approach to this study, it still reflects a significant change brought about by external conditions, namely the labour market. Conway and Briner (200) observe that any depreciation of the prevailing terms of the employment relationship can cause negative outcomes particularly in relation to the organisation's ability to deal with crises. Abdalla *et al.*'s (2021) review of the impact of COVID-19 crisis on the PC, an interview based study, considers PC breach to be constituted

by the employer's inability to fulfil its promises due to COVID-19, and found that unpaid leave caused by COVID-19 resulted in PC breach. They focus on the findings of Morrison and Robinson (1997) who suggest that breach is caused by organisational failure (Abdalla *et al.* 2021). In this respect they draw parallels between breach and unpaid leave, observing that unpaid leave can cause organisational distrust; a mediating factor in the relationship between breach and turnover intention. Similarly, Wu *et al.* (2021) and Filimonau *et al.* (2020) note a correlation between unfulfilled employer obligations and resulting low levels of organisational commitment.

1.4 Psychological Contract and Context

Responsive measures to environmental forces can result in a shift in HRM policies and as a result can cause a change in perceived obligations (Metz *et al.*, 2012). In most cases crisis management relates to pre-emptive measures aimed at addressing organisational changes or recovery practices resulting from organisational change as seen in Bellou's (2006) study (Wu *et al.*, 2021). Wu *et al.*, (2021) observe that the PC remains relatively unexplored in the context of crisis management. Metz *et al.* (2012) note that, historically where there is economic decline or in this case a crisis that warrants significant organisational change, organisations generally respond by withdrawing investment in the employment relationship. Filimonau *et al.*'s (2020) qualitative study examines the impact of COVID-19 on the PC by investigating the impact of organisational response to COVID-19. They observed that positive organisational response is closely associated with perceived job security and organisational commitment (Filimonau *et al.*, 2020).

1.5 COVID-19 and Hospitality

Metz *et al.* (2012) suggest that recognising the role of context is paramount in understanding changes that occur in the PC. In this respect we consider the effect of COVID-19 crisis. Jones and Comfort (2020) describe the hospitality industry as encompassing all organisations that provide services in accommodation, food, drink or a combination of some or all of these services. Jones and Comfort (2020) estimates that the industry employs up to 212 million people across the globe. In March 2020, a report by PWC (2020) noted that prior to COVID-19 Ireland's hospitality industry played a significant role in Ireland's economy, employing up to 180,000 people. The industry's estimated contribution to the Irish economy at this time was between €5 billion and €7.6 billion (PWC, 2020). However, the unprecedented events caused

by COVID-19 in early 2020 resulted in immediate and unsolicited change for many organisations. In a study carried out by the ESRI in July 2020, it was observed that the hospitality industry was one of the most significantly affected industries by the impacts of COVID-19 particularly in relation to unemployment (Damrody *et al.*, 2020). Baum *et al.* (2020) note that RTE reported that of the 140,000 workers laid off in Ireland following forced government closure, 120,000 were hospitality employees. Another ESRI study carried out in July 2020, noted that the rate of unemployment in accommodation services and food and beverage services had a combined average unemployment rate of ‘74.1%’ which categorises occupations in these areas as some of the highest risk industries (McGuinness and Kelly, 2020).

Filimonau *et al.* (2020) predict that the COVID-19 pandemic will significantly reduce the draw to the hospitality careers. Darmody *et al.* (2020) observe that COVID-19 related job loss was more prominent among lower-income groups, noting that hospitality and retail were the industries most affected. Kennelly *et al.* (2020) support this by observing that hospitality is among the most affected industries, experiencing comparatively high unemployment. Kennelly *et al.* (2020) also note that over 150,000 households in Ireland experienced a drop of 20% - 40% in income. Most importantly, the demise of the PC in the hospitality industry has become increasingly troublesome with the onset of COVID 19 (Baum *et al.*, 2020).

1.6 Literature Gap

Existing literature on the relationship between the PC and crisis in the hospitality industry had been scarce until the emergence of COVID-19 which prompted very contemporary and novel research on the subject including studies by Filimonau *et al.* (2020), Wu *et al.* (2021), Abdalla *et al.* (2021), Lopez and Fuiks (2021), Baum *et al.* (2020), Jones and Comfort (2021). The first of these three studies have been based on qualitative research, primarily through the medium of interviews, while the last three are purely theoretical. It is important to note that none of the studies mentioned here relate to the Irish hospitality industry; no such study on the relationship between crisis and the PC in Ireland’s hospitality industry exists. This study intends to add knowledge to the understanding of the impact of crises on the PC in the hospitality industry in Ireland.

1.7 Research Aim

For the purposes of this study we consider that the PC remains relatively unexplored in the context of crisis (Wu *et al.*, 2021). The aim of this research is to examine the relationship between PC styles and respective content under the context of crisis in Ireland's hospitality industry. The investigation is based on the assumption that environmental crises cause organisational change and in turn affect the employment relationship. The main objective is to understand the state of PCs under crisis, in order to add to knowledge for future research on how best to manage the PC through crisis. With this in mind the following research question has been developed with deductively developed hypotheses.

1.8 Research Question

What is the current state of psychological contract styles and content of employees who have experienced COVID-19 related temporary layoff in Ireland and how best can the psychological contract be managed under these circumstances?

1.8.1 Hypothesis 1

Employee fulfilment subset is positively correlated with transactional contracts in psychological contracts under crisis.

1.8.2 Hypothesis 2

Employer fulfilment subset is negatively correlated with employee short-term subset in psychological contracts under crisis.

1.8.3 Hypothesis 3

Employer fulfilment subset is positively correlated with employee stability subset in psychological contracts under crisis.

1.8.4 Hypothesis 4

Employee loyalty subset is positively correlated with employer internal development subset in psychological contracts under crisis.

1.9 Research Design

The philosophical basis of this research is intrinsically linked to the positivist paradigm (Quinlan, 2011). It is a quantitative study using non-probability sampling methods. It is cross sectional in nature with scale-based, closed questionnaires (Saunders *et al.*, 2019). The positivist approach of this study is closely linked to quantitative methods of research including the implementation of closed questionnaires which are the most often used measurement of the PC (Freese and Schalk, 2008). Statistical analysis is used to examine the correlation between interval variables, ultimately testing the hypotheses posed. This research has developed hypotheses from observation and quantifiable information with a deductive approach to the data gathered (Saunders *et al.*, 2019).

This will be examined by implementing Rousseau's (2000) Psychological Contract Inventory (PCI) which is a questionnaire aimed at identifying styles of contracts and their corresponding characteristics or otherwise known as content. Rousseau's (2000) PCI is an etic approach with evaluation and content measures intended to examine the characteristics found in the employment relationship. It is important to note that this research will adopt a unilateral perspective, focusing only on the perspective of the employee across a range of different job levels.

1.10 Conclusion

To conclude, the above discussion identified the PC as a significant aspect of the employment relationship. It established the importance of context in managing the PC through organisational change as a result of the external environment. Undoubtedly, COVID-19 has caused rapid and unprecedented change to Ireland's hospitality industry as outlined above. With this in mind this study will focus on the impact of COVID-19 on the PC of hospitality employees. In using Rousseau's' PCI (2000), this study will answer the hypotheses posed in an attempt to better understand the state of hospitality employees' PC under the context of COVID-19.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This section of the paper will develop a discourse on the topic of the PC with reference to the external environment, organisational change and crisis management. The literature review will be exploratory in nature, focusing on empirical and theoretical evidence as well as research methods adopted in similar studies (Adams *et al.*, 2007). In support of this approach, this study considers Wu *et al.*'s (2021) findings that suggest that PCs under the context of crisis have been overlooked. This study will identify key areas of interest by drawing from seminal and peripheral works to provide a synthesis of the topic. It will consider opposing views and rebuttal of PC theory and environmental change. It will provide a critical analysis of the literature at hand to form the theoretical support for the research design that follows. In addition, it will identify appropriate methodologies used and gaps in the research in order to validate the basis of the research question and hypotheses posed in this paper.

To begin, it will present the significance of the PC in the employment relationship. It will then examine the origins of the PC by reviewing the works Argyris (1960), Levinson (1962), Schein (1978). It will explore contemporary theory paying homage to Rousseau's (1989) seminal work. It will also examine recent findings in PC theory and provide a critical analysis by considering peer reviewed works (Guest, 1998 and Budd, 2020). It will give a brief overview of styles of PC and will consider the significance of PC breach and PC content relative to this study. To follow, the study will consider the impact of the external environment on organisational change paying particular attention to the importance of leader communication in managing the PC.

2.2 Psychological Contract and the Employment Relationship

The fundamental principle of the PC is that it operates as a continuum of idiosyncratic characteristics found in the employment relationship; a concept that can be used to establish a framework for the employment relationship (Kew and Stredwick, 2016). MacNeil (1985) suggests that contracts, whether written or implied, are fundamentally psychological in nature. Despite Guest's (1998) commentary that contests the validity of the PC as a mere abstraction associated with the legal contract, it is not to be confused with the traditional contract that outlines the legal rights of employee (Guest, 1998 cited in Rousseau, 1998 and Kew and

Stredwick, 2016). PC theory has developed over time with many scholars exploring the cause and effects of the PC (Freese and Schalk, 2008). However, the correlation between PC styles and content, and content relationships have received little attention since Rousseau's (2000) initial study (Hamilton and Von Treuer, 2012).

2.3 Psychological Contract Origins

The psychological contract's place in contemporary HRM practices can be attributed to its conceptual predecessor; social exchange theory (SET) (Cullinane and Dundon, 2006). It has been widely suggested that SET is the conceptual underpinning of PC (Cullinane and Dundon, 2006). Blau (1964), the accredited architect of SET proposed that social exchanges are constituted by mutual obligations in the form of reciprocal exchanges, whereby fulfilment of these obligations is achieved through mutual trust. SET is prevalent in the works of scholars contemporaneous with Blau (1964) including Argyris (1960), Levinson (1962), Schein (1978) and later Rousseau (1989) (Schalk and Roe, 2007). The idea of reciprocity in this form can also be attributed to Adams (1965) equity theory; a theory that is grounded in motivation theory which maintains that equality and fairness in the workplace drives employee motivation (Adams, 1965 cited in Schalk, 2007) Although related, Rousseau (1989) does recommend that equity theory not be too closely correlated with the PC. Likewise Menninger (1958) was concerned by the underlying motivations that drive the behaviours that shape the development of the PC (Conway and Briner, 2009). The term *psychotherapy contract* was first adopted by Menninger (1958) under the context of a specific relationship between psychoanalysts and patients. The term was used to describe the intangible features of the written contract that transcend the explicit terms associated with it (Menninger, 1958).

2.3.1 Argyris

Argyris was the first to verbalise the PC in a term that would set the scene for further research; 'psychological work contract' (Argyris 1960, pp. 97). Argyris (1960) describes it as a method of understanding the subtle exchanges found in the employment relationship, notwithstanding the traditional contract. In his exploration of the employment relationship within a US factory, Argyris (1960) drew inferences that suggested that the PC transcends the traditional confines of the legal employment contract; an assumption contested by Guest (1998) in later works. However Argyris' (1960) work did not extend much further than the basic understanding of the PC as an implied reciprocal arrangement (Conway and Briner, 2009). Argyris (1960) and

Levinson's (1962) studies of the PC were largely built on empirical research through interviews (Rousseau and Tijoriwala, 1998), a widely used approach for measuring the PC today.

2.3.2 Levinson

Levinson (1962), the first to introduce the terminology to describe the psychological contract and delved further into the behaviours that constitute reciprocity in the employment relationship. Levinson's (1962) extensive investigation involved interviewing over 800 respondents in a US factory and is considered a formative study in the exploration of the PC (Conway and Briner, 2009). Levinson (1962) first introduced the idea that employees influence their contract through behaviours based on their beliefs (Rousseau, 1998). The idea of fulfilment and violation in the context of the contract was first addressed by Levinson (1962) as well as the role of obligation and necessity in the exchange. Thus far in the origins of the PC it has been established that mutual expectations define exchanges that are not necessarily cognisant but nevertheless apparent in the employment relationship.

2.3.3 Schein

The concept of expectations was further popularised by Schein (1965) noting that mutuality is not necessarily the lynchpin of the PC but rather, a bilateral view can indicate that expectations are a matter of perspective ie. the employees' and employers' expectations can differ from each other. Schein (1978) draws on the PC as an indication of organisational behaviour and therefore a framework by which the employment relationship can be understood. The terms of the PC, Schein (1978) suggests, are constantly in state of renegotiation; introducing the idea of breach and violation. The early works of Argyris (1960) Levinson (1962) and Schein (1965) focused primarily on the bilateral approach to understanding the PC, placing emphasis on the duality of the relationship. They conceptualised the PC as the embodiment of social exchange within the employment relationship, discovering that this relationship existed and was extremely important (Cullinan and Dundon, 2006)

2.4 Rousseau

Rousseau's (1989) theory based, seminal work reconceptualising the PC represents a peak in the evolution of PC theory. In this paper, Rousseau (1989) defines the PC, distinguishing it from mere implicit contractual characteristics in the employment relationship. Rousseau

(1989) conceptualised the implicit and perceived obligations presented in the employer-employee relationship as the PC. Rousseau (2004) further deduced this concept as a framework to describe the employment relationship whereby reciprocity is the basis of future expectations.

'...it is the individual's belief in an obligation or reciprocity that constitutes the contract.'

(Rousseau, 1989 pp.124)

One of the defining distinctions between Rousseau's revision of the PC (1990) and the earlier works of Argyris (1960), Levinson (1962) and Schein (1965, 1978) is the idea that obligation exists separately from expectation (Cullinan and Dundon, 2006). Another distinction is Rousseau's (1990) emphasis on the perspective of the employee; an approach based on the fundamental principle that the PC in its nature is highly individual (Cullinan and Dundon, 2006). Rousseau (1989) differentiates the PC from implied contract by stating that the PC exists at an individual level while implied contracts are constituted by mutual obligations between more parties. In Rousseau's in depth study of the intricacies of the PC, she noted in 1990 that the development of the PC begins at the interview stage. It is at this point that the employee considers the type of relationship they seek from the employer, further supporting the individualisation of the PC (Rousseau, 1990). Rousseau (1989) draws distinctions between fulfilment and commitment, and violation and trust based on perceived obligations. Furthermore Rousseau (1989) highlights that unfulfilled obligations can evoke emotional responses which can have a detrimental impact on the employment relationship otherwise known as PC violation. Rousseau (2004) suggests that it is essential for the employer to prioritise fulfilment. Freese *et al.* (2011) in their investigation of the PC note that studies have shown where breaches in the PC present themselves they are often a consequence of organisational change, normally as a result of unprepared or inadequate HR processes.

2.5 Guest

The PC has not been without its critics. The most significant and interesting critique of the PC came from Guest (1998). Guest (1998) suggests that the distinction between obligation and expectation in the PC is dubious at best, while questioning its position in the study of organisational behaviour contesting that it does not act as a measure or does it present itself as a theory. However, this paper maintains the observation that Rousseau (1998) proposes that the PC is a construct and has construct validity proven by the measure of violation and content. Rousseau and Tijoriwala's (1998) review of the PC unveiled three forms of measurement;

feature, content and evaluation. This study, in using Rousseau's (2000) PCI adopts a content and evaluation approach. Rousseau (1990) defines the content of the PC as mutual expectations in the employment relationship whereby the employee develops beliefs with regard to what they believe they owe to the organisation and what the organisation owes to them. The evaluation measurement of the contract represents levels of fulfilment or breach and violation (Rousseau, 2004). A distinction between styles of contract was introduced by MacNeil (1985) identifying the existence of transactional and relational contracts. Rousseau later (1989) identified a spectrum of PC styles ranging from *relational* to *transactional*.

2.6 Psychological Contract Commentary

Millward and Hopkins (1998) consider the workings of Argyle (1989), Etzioni (1961) and Becker (1960) who explore organisational commitment through the lens of behavioural theory. For example, Millward and Hopkins (1998) note the strong correlation between both Etzioni's (1961) and Becker's (1960) utilitarian behavioural theory and Argyle's (1989) calculative commitment theory, all suggesting that individuals can develop transactional or instrumental interests in the organisation; the very foundation of their commitment to the given organisation. Millward and Hopkins (1998) consider the stark resemblance between these models of organisational commitment and Rousseau's (1990) transactional PCs. Consequently, this causes us to question whether PC is no more insightful into the employment relationship than organisational commitment. There has been significant criticism of the psychologization of the employment relationship and the broader subject of HRM. particularly in what Budd (2020) refers to as 'Goddard's provocation series' published in 2020. Budd (2020) observes that the more emphasis there is on psychologization of employment relationships, the less focus there is on the composition of the employment relationship. Guest (1998) predicted that the term PC could create a vernacular used too frequently which in turn would lead to diminishing validity. Budd (2020) reflecting on Kaufman's (2014) observations suggests that where poor performance is present in organisations occurs, this can often be attributed to employees being a poor fit for the organisation. Budd (2020) considers in this whether the policies in place should be questioned and similarly whether the policies have been effectively correlated to the external environment.

2.7. Rousseau's Psychological Contract Inventory (PCI)

For the purposes of this research Rousseau's (2000) PCI questionnaire was chosen. It takes an evaluation-orientated and content-oriented approach through a unilateral lense in gathering primary data. In other words, the types of contract, their content and level of fulfilment will be examined from the employee perspective at all job levels. Rousseau's (2000) PCI is a scale-based, closed questionnaire that acquires data which is used to examine the styles, content and fulfilment of the PC. Freese and Schalk's (2008) paper examining the measurements of the PC, deemed Rousseau's (2000) PCI an effective measurement of the PC. This is based on its demonstration of construct and content validity as well as meeting Freese and Schalk's (2008) criteria that suggests that measurements must assess perceived employee and employer obligations and contain a breach/violation scale.

2.7.1 Relational Contract

Relational contracts are closely correlated with SET as discussed above (Millward and Hopkins, 1998). This style of contract represents a continuous relationship between the employee and employer, and is defined by a myriad of exchanges including, but not limited to fiscal exchanges (Millward and Hopkins, 1998). The basic underpinning of the relational PC long-term employment constituted by loyalty and trust (Rousseau, 2000). Millward and Hopkins (1998) note that, in this case loyalty is gained through trust. This, in turn effectuates organisational commitment and is positively associated with the concept of the organisational citizen (Millward and Hopkins, 1998)

2.6.2 Transactional Contract

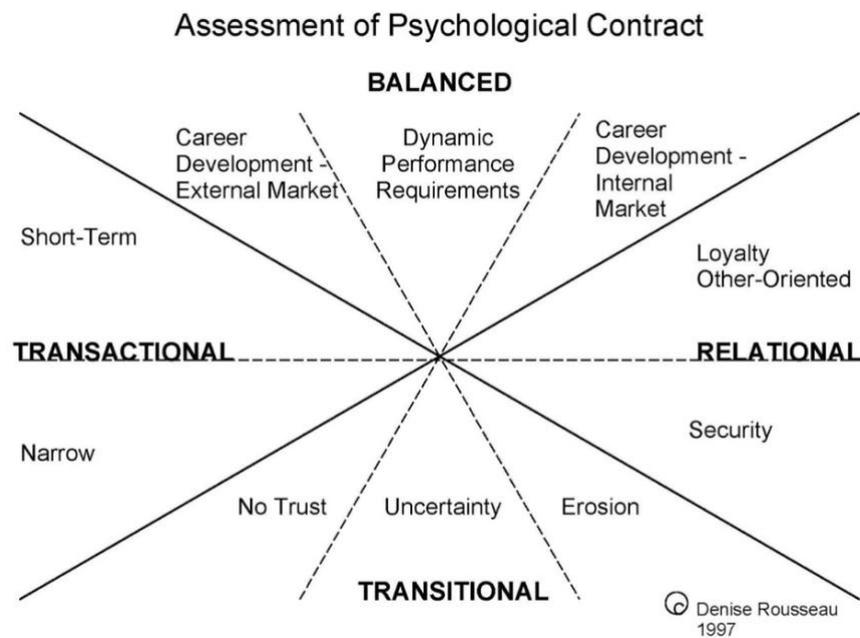
The transactional PC usually represents a temporary or short-term contract whereby the primary terms of the contract are defined by monetary exchange (Rousseau, 2000). In contrast to relational contracts, transactional contracts tend to result in lower organisational commitment (Rousseau, 2000). Transactional contracts are associated with careerism; a term used to describe employees who regard the organisation purely as a means to progress in their career and provide opportunity elsewhere. Rousseau's (1989) study of the PC suggested that obligations of a transactional nature are related to exchanges of an economic nature while obligations of a relational nature are related to exchanges of a social nature. The transactional

contract has been found to be the most prominent PC style in the context of crisis (Wu *et al.*, 2021).

2.6.3 Transitional and Balanced Contracts

While the most commonly identified contracts are relational and transactional, Rousseau (2000) identifies other strands including transitional and balance. Transitional orientation, while not technically deemed a style of PC, represents a state of mind that is associated with the impact of organisational change that disrupts the former employment relationship (Rousseau, 2000). The balanced arrangement represents unlimited and unrestricted employment relationships (Rousseau, 2000). This is usually present in the employment relationship of employees who contracted to meet market demand (Rousseau, 2000). Each of the above four PC styles mentioned have associated, corresponding content (Figure 1) (Rousseau, 2000).

Figure 1:



2.7 Psychological Contract Breach and Fulfilment

PC breach is defined as follows:

'... occasions where an employee believes that their organisation has failed to fulfil its promises'

(Robinson and Rousseau, 1994 cited in Conway and Briner 2002, pp. 288)

PC breach represents the employees awareness of unfulfilled obligations (Conway and Briner, 2002). In this study, temporary layoff otherwise known as unpaid leave constitutes unfulfilled employer obligations, supported by the findings of Abdalla *et al.*'s (2021) study. With this in mind, this study examines whether PC breach has taken place in the sample chose. Wu *et al.* (2021) note that PC breaches reduce organisational commitment and perceived job security while Rousseau (2004) regards organisational distrust as a response to PC breach.

2.8 Organisational Commitment

Organisational commitment is considered a component of the relational contract usually referred to as *loyalty* (Figure 1) in Rousseau's (2000) PCI, and represents the employees perception of required commitment from the organisation and from themselves (Rousseau, 2000). It usually centres around personal and professional needs and interests (Rousseau, 2000). Bellou's (2006) study of the impact of mergers on the PC, notes that forced organisational change can result in job dissatisfaction, decreased organisational commitment and lower levels of loyalty. In a more recent study by Filimonau *et al.* (2020) focusing on crisis-led organisational change, it is noted that organisational commitment under crisis, especially that of management, can be protected by providing professional and personal development opportunities (Townsend and Wilkinson, 2013). Likewise, they propose that crisis led redundancies damage the PC (Filimonau *et al.*, 2020).

2.9 Job Security

Job security or sometimes known as *stability* (Figure 1) in the context of Rousseau's (2000) PCI is also a facet of the relational contract. It indicates the perception of mutual obligations regarding the employees input and the employers output (Rousseau, 2000). Abdalla *et al.* (2021) note that breach of PC inevitably leads to job insecurity. This can be a result of the

organisation's response to the crisis at hand (Wu *et al.* 2021). Wu *et al.* (2021) note that job security remained a main priority for respondents, their main concern was layoff.

2.10 Turnover Intention

Baum *et al.* (2021) observe that turnover intentions in the hospitality industry are comparatively high to other industries and suggest that COVID-19 crisis has amplified turnover intention. Abdalla *et al.*'s (2021) research reveals that PC breach caused by unpaid leave causes emotional exhaustion which inevitably results in increased turnover intention. Turnover intention is commonly considered the highest predictor of actual turnover (Freese *et al.*, 2011). Freese *et al.* (2011) provide an assumption that low organisational commitment is directly linked to high turnover intention. Their findings suggest that organisational change, while not directly affecting organisational commitment, was a determinant of increased turnover intention (Freese *et al.*, 2011).

2.11 Trust

Trust, as indicated by Rousseau (2000) relates to reciprocal communication between the employee and the employer. Maintaining effective communication through crisis can conserve trust within the employment relationship (Wu *et al.* 2021). PC breaches are known to damage trust, a characteristic of the employment relationship (Wu *et al.*, 2021). Similarly, employers who provide opportunities for further development or otherwise referred to as *career development - internal market* (Figure 1) can maintain trust-based relationships with employees (Wu *et al.*, 2021). Lopez and Fuiks (2021) note that effective communication and trust based relationships effectuated through efficient leaders can manage the changing dynamics of the psychological contract through crisis.

2.12 Literature Gap

Traditionally, the PC in hospitality has been addressed with respect to retention and organisational commitment (Lub *et al.*, 2011, Tsui *et al.*, 2013). The onset of COVID-19 has drawn attention to the interplay between the unexpected crises and the PC with studies by Filimonau *et al.* (2020), Wu *et al.* (2021), Abdalla *et al.* (2021), Lopez and Fuiks (2021), Baum *et al.* (2020), Jones and Comfort (2021) adding contemporary knowledge to the subject. Each study mentioned takes a unique perspective on the impact of COVID-19 on the

PC through theoretical or qualitative research. Qualitative and theoretical research can act as a prelude to more in depth quantitative research. Similarly, the cause and effect relationship in PCs have been the primary focus of PC research with the exception of few studies examining the correlation between PC styles and content (Hamilton and Von Treuer, 2012). None of the studies mentioned above relate to the Irish hospitality sector, however they provide an insight into the effects of COVID-19 on the PC in hospitality, forming a basis from which further research can build upon. No such study on the relationship between crisis and the PC in Ireland's hospitality industry can be found. This study intends to add knowledge to the understanding of the impact of crises on the PC in the hospitality industry in Ireland.

2.13 Contemporary Psychological Contract Literature and COVID-19

Contemporary pieces by Lopez and Fuiks (2021), Baum *et al.* (2021) and Jones and Comfort (2021) provide theoretical analysis of the changing nature of the PC under crisis in hospitality. Lopez and Fuiks (2021) elicit questions regarding the impact of COVID-19 on the breadth and depth of the PC including the prevalence of breach and violation. Similarly, Jones and Comfort (2020) offer a synopsis on the impact of COVID-19 on the hospitality industry across the globe, noting mass unemployment as one of the most significant effects of the crisis. A common theme observed in the above mentioned papers is contingency planning (Baum *et al.*, 2020 and Jones and Comfort, 2020). Jones and Comfort's (2020) study focuses on the importance of sustainability in the hospitality industry suggesting further insight is welcomed and noting that sustainably focused contingency plans can help anticipate the impact of possible, future events. Vulnerability at a micro-level has been noted, suggesting that the precarious nature of the industry leaves employees particularly vulnerable to crisis which has been notably amplified by the impact of crisis (Baum *et al.* 2020 and Jones and Comfort, 2020).

The subject has been addressed empirically with Abdalla *et al.* (2021), Filimonau *et al.* (2020) and Wu *et al.* (2021) supporting the above theoretical pieces in relation to COVID-19 in hospitality. Unfulfilled employer obligations represented as breach remains a commonality between each study, focusing its relationship with PC content. Abdalla *et al.* (2021) demonstrates a correlation between PC breach and low organisational commitment in employees who experience unpaid leave; commonly noted correlation in PC theory (Morrison and Robinson, 1997 and Rousseau, 2000). Most interestingly, contemporary empirical studies maintain the importance of clear and effective leadership communication in managing the PC through crisis. Wu *et al.*'s (2021) interview based study discerns that COVID-19 related PC

breach affected perceived job security, particularly in senior management, while noting the importance of leadership communication in managing the PC. Similarly, Filimonau *et al.* (2020) found organisational response to crisis and corporate social responsibility can impact organisational commitment and perceived job security

2.14 External Environment

Andrew (1975) defines environmental change as:

'the pattern of all the external conditions and influences that affect its life and development'

(Andrew, 1975 pp. 48)

McCann (2004) proposes that organisational changes are directly linked with environmental shifts, noting that unpredictable environments will end in some level of disruption (Kew and Stredwick, 2016, p. 580). Lub *et al.* (2016), while investigating the PC from a generational stance, consider external factors, for instance societal changes can affect the level of commitment employees deem to be acceptable. A concept likely embedded in the behaviourist approach to change theory, that suggests that individual behaviour can be adjusted by a change in environment (Kew and Stredwick, 2016). Filimonau *et al.* (2020) describe the resulting organisational changes, government restrictions and guidelines that were adopted as impacting the operational aspect of organisations within the industry.

The COVID-19 pandemic is arguably, only comparable in scale to the global financial crisis of 2012 and in content to the SARS outbreak of 2003 (Baum *et al.*, 2020). Suarez and Olivia (2005) study of the organisational impacts of rapid and extreme environmental change focuses on Latin-American countries that have been subject to severe economic change. Interestingly, they found that under the pressure of exceptional environmental change, organisations with 'swift and painful' approach to manage organisational change quickly (Suarez and Olivia, 2005 pp. 1018).

Suarez and Olivia (2005) found that environmental change, particularly extreme environmental change, has been overlooked in contemporary literature and developed a 4 part scale based on time and extent of environmental change. In drawing comparisons between this scale and COVID-19 one can assume this change can be considered under the term 'avalanche' describing unprecedented change, occurring rapidly and intensely while affecting all aspects

of the organisation. While Suarez and Olivia (2005) found that there were four types of organisational response to ‘avalanche’ change, one of these was profoundly significant; leadership communication.

2.15 Leadership Communication

Leadership represents the way in which employee behaviour is influenced by management (McDermott *et al.*, 2013). The investigation of the relationship between leadership and the PC is rooted in McDermott *et al.*'s (2013) assumption that leaders play an essential part in the employment relationship in facilitating communication. Metz *et al.*'s (2012) survey based, comparative study of changes to the PC focus on the function of management in affecting the PC. Their findings show that in times of uncertainty managers can detract from training and development opportunities which in turn can affect employee loyalty and consequently stunt the organisation's recovery (Metz *et al.*, 2012). In contrast, Wu *et al.* (2021) findings suggest that investment in development opportunities for employees through crisis is paramount in maintaining a positive employment relationship.

Leadership characteristics are thought to result from organisational structure while leader behaviours are situational which creates an assumption that leaders can coordinate their own behaviour to manage appropriately in respect to the situation (Perrow, 1970 cited in Vroom and Jago, 2007). McDermott *et al.* (2013) suggest that effective leadership is dependent on circumstance. Rousseau (2004) notes that the ‘incompleteness’ in the nature of the PC suggests that a change in circumstance can alter the contract, and employers must account for flexibility within the contract in the event of unprecedented events. The link between leadership, HR strategy, organisational performance and leader’s ability to implement these HR processes will affect the way in which the employee perceives their PC (McDermott *et al.*, 2013). McDermott *et al.* (2013) consider the importance of adaptability in leadership to be somewhat omitted from contemporary studies.

McDermott *et al.* (2013) propose that leaders play a significant role as the instrument that deciphers the PC. Leaders serve to satisfy the needs of the employee and shape their expectations to meet the needs of the organisation, ultimately developing effective and suitable contracts (McDermott *et al.*, 2013). The employment relationship is cemented by effective leaders, who enable a circuit of communication between the employer and the employee (Rousseau, 2004). Where unexpected and sudden organisational changes occur without a

contingency plan, resistance to change may arise at the employee level; causing perceived violations to the PC (McKay *et al.*, 2013). Effective leaders can manage PC breach; under the assumption that leaders have the necessary qualities to adapt to change efficiently (McDermott *et al.*, 2013). Goleman (1999) considers leaders to be defined by the degree to which they possess emotional intelligence. In accordance with Goleman's (1999) assumption, Boyatzis (2008) suggests that individuals that display signs of emotional intelligence should be considered superior to those who do not. Theoretical literature proposes that organisations best manage PCs where leaders engage with employees in frequent and transparent communication and engineer relationships built on trust (Lopez and Fuiks, 2021).

2.16 Context and Crisis

Morgan (1986) introduced essential power characteristics for management including the power to manage crises. While the above suggests that leadership and the act of management can affect the PC. Wu *et al.* (2021) note that PCs have received little attention in respect to crisis management. In Wu *et al.*'s (2021) study they examine the impact of crisis on employer and employee PCs, and found that organisations in the hospitality industry have undergone organisational change due to COVID-19. Prior to COVID-19 scholars have suggested that sustainability in the hospitality sector required attention (Ertuna *et al.* 2019 cited in Jones and Comfort, 2020). Wu *et al.* (2021) place emphasis on mutual obligations in the PC and leader communication in managing change. While the correlation between organisational change and breach is well recognised (Freese *et al.* 2011), this connection has been linked to pre-emptive organisational change not in response to the likes of *avalanche* change (Wu *et al.*, 2021 and Suarez and Olivia, 2005). Again, breach is linked to job dissatisfaction or decreased commitment (Rousseau, 2004). Pre-emptive measures are seen clearly in regard to crisis management, in the context of the PC.

2.17 Conclusion

The above discussion has provided an overview of the history and development of the PC, paying particular attention to Rousseau's (1989) seminal work that arguably represents a turning point in PC theory. While Rousseau's findings have been criticised over the years, her most notable contribution is the emphasis on the role of perceived obligation in the employment relationship, as catalyst for emotional response and consequently a force of breach. Drawing again from Wu *et al.*'s (2021) findings, they suggest that styles, content and breach of PC with

reference to crises have been overlooked. It established that external environmental factors can constitute a crisis under Suarez and Olivia's (2005) exploration of the organisational impact of environmental change. Based on the findings of contemporary works by Filimonau *et al.* (2020), Wu *et al.* (2021), Abdalla *et al.* (2021), Lopez and Fuiks (2021), Baum *et al.* (2020), Jones and Comfort (2021) this section provided a basis for the hypotheses posed in the next chapter. Additionally the above discussion provides theoretically and empirically supported recommendations that leader communication is essential in managing rapid and unexpected change (Wu *et al.*, 2021 and Suarez and Olivia, 2005).

CHAPTER 3: RESEARCH QUESTION

3.1 Introduction

As outlined by the literature review in the previous chapter, the PC has been evident albeit not always verbalised in this employment relationship for many decades. It has evolved conceptually over the last 60 years, developing into a construct used to understand and manage the employment relationship. Despite criticism of the PC, Rousseau's (1989) seminal work remains the foundation of PC theory, with her pioneering the concept of perceived obligations. The PC is made up of contract styles and content defined by behaviours in the reciprocal relationship (Rousseau, 2000).

3.2 Developing the Research Question

The PC has been scarcely explored in relation to the hospitality industry and crisis, respectively (Wu et al., 2021). The basis of PC research has traditionally been focused on the cause and effect relationship of PC content as opposed to their correlation (Hamilton and Von Treuer, 2012). Similarly, the PC in hospitality has been most commonly addressed with respect to the cause and effect relationships surrounding retention and organisational commitment (Lub *et al.*, 2011, Tsui *et al.*, 2013). The advent of COVID-19 initiated very a contemporary and novel conversation with the likes of Filimonau *et al.*, (2020), Wu *et al.*, (2021), Abdalla *et al.*, (2021), Lopez and Fuiks (2021), Baum *et al.*,(2020), Jones and Comfort (2021) adding new knowledge of PC theory. Each of these studies consider the impact of COVID-19 on the PC of hospitality employees, some of which draw parallels between PC breach, employer fulfilment (EF) and content, and others examine the changing dynamics of the PC. Notably, each study approaches research theoretically or through qualitative methods. Additionally, none of the research papers relate to the Irish hospitality industry; this study finds that no such research exists on the impact of crisis on the PC in Ireland's hospitality industry.

3.3. Research Aim

The aim of this study is to add knowledge to the understanding of the impact of crises on the PC in the hospitality industry in Ireland by conducting a quantitative study on a sample of Irish hospitality employees. The above synopsis of the current state of literature on the PC in crisis provides support for the research around which the research question is positioned with the

intention of using Rousseau's (2000) PCI for testing the subsequent hypotheses. The hypotheses considered have been deductively developed (Saunders *et al.*, 2019). Each hypothesis is concerned with the relationship between the variables mentioned. With this in mind, statistical analysis is implemented to test the correlation between the independent and dependent variables in each hypothesis.

3.4 Research Question

What is the current state of psychological contract styles and content of employees who have experienced COVID-19 related temporary layoff in Ireland and how best can the psychological contract be managed under these circumstances?

The primary objective of this research question is to gain an understanding of the state of PCs under crisis and add to knowledge to the subject, whereby future research can be built on how best to manage the PC through crisis.

3.4.1 Hypothesis 1

Employee fulfilment subset is positively correlated with transactional contracts in psychological contracts under crisis.

Wu *et al.* (2021) observe that psychological contracts under the context of crisis present transactional orientation. This suggests that employees perceived obligations to their employer shifts under the context of crisis, as a mechanism of protection; this is the foundation of the first hypothesis posed (Wu *et al.*, 2021). In general transactional contracts are linked to careerism and low organisational commitment and financial exchange (Rousseau, 2000).

3.4.2 Hypothesis 2

Employer fulfilment subset is negatively correlated with employee short-term subset in psychological contracts under crisis.

Baum *et al.* (2021) note that high turnover intentions in the hospitality industry have been exacerbated by the COVID-19 pandemic. This hypothesis is based on the assumption that the employers ability to fulfil their obligations to the employees is related to the employees intention to leave. Studies have shown that turnover intention is a product of unfulfilled obligations but not always directly linked (Abdalla *et al.*, 2021 and Freese *et al.*, 2011).

Similarly, Hamilton and Von Treuer (2012) found that employer PC fulfilment is indirectly negatively related to intention to leave.

3.4.3 Hypothesis 3

Employer fulfilment subset is positively correlated with employee stability subset in psychological contracts under crisis.

Filimonau *et al.* (2020) suggest that organisational response to crisis, in other words the employers ability to fulfil their obligations corresponds with perceived job security. This hypothesis is built on the assumption that there is a positive relationship between the employers ability to fulfil their obligations and the employees perceived level of job security. Wu *et al.*'s (2021) observe that PC breach in their sample affected perceived job security.

3.4.5 Hypothesis 4

Employee loyalty subset is positively correlated with employer internal development subset in psychological contracts under crisis.

Wu *et al.* (2021) note that investing in development opportunities for employees positively affects organisational commitment in times of crisis. Lopez and Fuiks (2021) observe that trust based relationships and clear and effective communication through leadership can manage the changing dynamics of the psychological contract under crisis. This hypothesis suggests that there exists a positive relationship between employee organisational commitment and the employers ability to provide development opportunities through crisis.

CHAPTER 4: METHODOLOGY

4.1 Introduction

Methodology represents the approach taken to collect and analyse data (Creswell and Poth, 2018). A distinction exists between *research methods* and *research methodology* as highlighted by Adams *et al.*, (2014) who outlined the difference between both as follows:

‘A research method is a way of conducting and implementing research’

(Adams *et al.* 2014, pp. 6)

‘Research methodology is the science and philosophy behind all research’

(Adams *et al.* 2014, pp. 6)

This section will consider the methodological approach to the research question and hypotheses posed by this paper. In doing so, it will examine philosophical paradigms that underpin methodology, it will consider possible approaches to theory development and justify the methodological choice by exploring time horizons and instrumentation. It will critically evaluate alternative methodological approaches by closely considering the PC measurement analysis by Freese and Schalk (2008), as well as comparatively exploring other empirical studies in the area. It will then identify the chosen instrumentation; Rousseau's (2000) Psychological Contract Inventory (PCI) and justify its applicability to this study while outlining the processes taken place to collect and analyse the primary data attained.

4.2 Philosophical Paradigms

Of the five notable management philosophies outlined by Saunders *et al.* (2019) two can be considered applicable in the study of the PC; positivism and interpretivism.

4.2.1 Positivist Paradigm

The positivist paradigm or philosophy is concerned with the use of observation to produce generalisations; marrying the social sciences with physical sciences (Saunders *et al.* 2019). As a philosophical paradigm it tends to dominate quantitative research (Nyein *et al.*, 2020). The positivist approach taken in this research paper is closely related to quantitative methods of analysis including the use of closed questionnaires which are the preferred assessment of the

PC (Freese and Schalk, 2008). This research develops hypotheses through observation and quantifiable information with a deductive approach (Saunders *et al.*, 2019). The positivist influence is represented by the observations made about social interactions within organisations in this study which aim to develop generalisations that are supported by established theory in the PC.

4.2.2 Interpretivist Paradigm

The interpretivist perspective offers an alternative approach to the research question posed by this paper. The fundamental basis of the PC, one can argue, is rooted in human interactions. This suggests that the interpretivist approach is an appropriate paradigm in the study of the PC. Interpretivism maintains a significant distinction between the social sciences, noting a complexity in human interactions and the importance of individual experiences (Saunders *et al.* 2019). The interpretivist approach, more specifically phenomenology with qualitative measures, could have been an appropriate approach to assessing the PC (Saunders *et al.*, 2019). Phenomenological research provides synthesis of ‘lived experiences’ demonstrating multiple perspectives, which has been seen in many HRM studies including Davis and Van der Heijden (2018), Wu *et al.* (2021), Abdalla *et al.* (2021) who have approached PCs under crisis through interviews (Nyein *et al.*, 2020 pp. 93). On the topic of qualitative research, Wu *et al.* (2021) take another approach by using grounded theory in their exploration of the PC under the context of COVID-19. Grounded theory focuses on developing theories from data; an inductive approach to research by which findings are continuously analysed throughout the process (Baxter *et al.*, 2015). The very nature of grounded theory, however, is time consuming and labour intensive and so not suitable for the purposes of this research paper.

4.3 Scientific Enquiry: Inductive V Deductive

Adams *et al.* (2014) describes two possible lines of scientific enquiry as inductive or deductive. According to Saunders *et al.* (2019) inductive research was originally associated with the positivist paradigm due to the heavy reliance on empirical data. However, in contemporary research the deductive approach is more dominant in the positivist paradigm and represents the approach adopted in this study (Braun and Clarke, 2017). This is reflected in the literature review suggesting that the assumptions developed that form the basis of this research are derived from theory (Saunders, 2019). The very nature of the deductive process maintains that

theoretical assumptions or hypotheses must be operationalised in a manner that is quantifiable (Saunders *et al.*, 2019).

4.4 Research Methods

While many research methods exist including Applied and Pure research, two types of research methods tend to dominate scholarly literature; Qualitative research and Quantitative research (Adams *et al.* 2014). Scholars of the PC have explored many methods of analysis including qualitative measures such as diaries (Conway and Briner, 2002) and interviews (Wu *et al.*, 2021) and quantitative measures including questionnaires (Rousseau, 2000) to gain a comprehensive understanding of the PC.

4.4.1 Qualitative Approach

Qualitative research employs approaches derived from various principles of theory including phenomenology and social interactionism and is constituted by methods of analysis determined by experience (Adams *et al.*, 2014). As mentioned above, qualitative measures such as interviews are particularly effective in exploring human interactions and are often used in HRM studies such as Filimonau *et al.* (2020) and Wu *et al.*, (2021). Interviews are often associated with, but not limited to longitudinal research. In fact, Davis and Van der Heijden's (2018) study of reciprocity in the employment relationship was cross sectional in nature, however they recommend a longitudinal approach for greater, and more accurate results. Longitudinal research provides a broad scope of research by examining the same sample on multiple occasions over a period of time (Adams *et al.* 2014). The context of this study, relating to COVID-19 could have benefited greatly from a longitudinal approach, with pre-crisis data for comparison. In corroboration with this, Wu *et al.*, (2021) also note that a longitudinal approach would have been beneficial in their research.

Interviews are also commonly used to construct questionnaires and act as a precursor serving as a validation of the efficacy of a developed questionnaire (Freese and Schalk, 2008 and Saunders *et al.*, 2019). For example, Rousseau's (1990) conducted interviews consisting of open-ended questions which ultimately refined a list of obligations that formed the basis of her 1990 questionnaire. With this in mind, it is widely recognised that the most frequent instrumentation used to operationalise theory is through quantitative analysis; most commonly by means of questionnaires. This study draws from empirical research that has examined PCs

under crisis through interviews (Davis and Van der Heijden, 2018., Wu *et al.*, 2021., Abdalla *et al.*, 2021) and observation (Baum *et al.*, 2020, Jones and Comfort, 2021).

4.4.2 Quantitative Approach

Quantitative research, as described by Adams *et al.* (2014) is centred in the positivist paradigm and is defined by quantitative measurement. As previously stated, the deductive approach is complemented by the quantifiable data. Quantitative research is commonly used in HRM; a result of the increased use of data and focus on evidence in contemporary approaches to HRM (Bhattacharyya, 2018). The PC in particular is most frequently investigated through the medium of self-completion questionnaires (Conway and Briner, 2006). Freese and Schalk (2008), presented the most pivotal study that critically evaluates ‘how to measure the psychological contract’. They focus primarily on the use of questionnaires as the most effective form of measurement; an endorsement of the use of Rousseau’s (2000) PCI in this research paper which will be discussed in further detail below. While we can establish that questionnaires are highly effective in measuring the PC, it is important to note that their efficacy is determined by correct implementation of the questionnaires; in other words, making subtle changes can diminish the effectiveness of the questionnaire (Freese and Schalk, 2008).

4.5 Research Design

The research design intends to satisfy the research objective, involving the collection of data and grouping participants into multiple categories, otherwise known as cross-sectional design (Adams *et al.*, 2014). The cross-sectional approach was determined by the time horizon of the research study. Adams *et al.* (2014) identifies four research designs relative to sampling methods; ‘*clinical trial*’, ‘*cohort study*’, ‘*case-control study*’ and ‘*cross sectional study*’ (Adams *et al.*, 2014, pp. 67). The first three research designs are time consuming and can span over a period of years and therefore were deemed unsuitable for the purposes of this study. With this in mind, a cross-sectional study is most suitable as it aims to explore data collected at a certain point in time (Adams *et al.* 2014 and Brandimarte, 2011). It is important to note that given the lack of structure regarding this technique it is deemed least reliable of all designs noted above (Adams *et al.* 2014).

4.6 Population and Sample

A research population can be described as all individuals who meet the criteria of the study (Brandimarte, 2011). The population chosen was specifically individuals employed in the hospitality industry who experienced temporary lay-off due to COVID-19. The justification for the research population is based on the findings of contemporary PC research (Abdalla *et al.*, 2021, Filimonau *et al.*, 2020 and Wu *et al.*, 2021).

As previously discussed, studies of the impact of crises on the PC have been somewhat neglected in HR literature, significantly so, with respect to hospitality. Emerging research has initiated discussions on PCs under crisis in the hospitality industry. As previously mentioned, the ESRI conducted a study in July 2020 and noted that the hospitality industry was one of the most highly impacted industries with unemployment soaring (Damrody *et al.*, 2020). It was reported by RTE that of the 140,000 workers that experienced COVID-19 related layoffs in Ireland, 120,000 were employed in the hospitality industry (Baum *et al.*, 2020).

Thus far, and unsurprisingly, most literature on the subject has either been theoretical (Baum *et al.*, 2020, Jones and Comfort, 2021) or qualitative (Wu *et al.*, 2021, Abdalla *et al.* 2021). By choosing this population, this study intends to enhance this discussion by exploring the impact of COVID-19 crisis on the PC of hospitality employees through quantitative research.

4.7 Sampling Technique and Implications

A group of respondents selected from the target population is known as a sample (Davenport *et al.*, 2010). The study adopts unrestricted, non-probability sampling methods otherwise known as convenience sampling (Adams *et al.* 2014). An appropriate sample size calculated via SurveyMonkey with a 95% confidence level is 383 individuals to provide an accurate depiction of the full population, estimated at 120,000 (Baum *et al.*, 2020). There was significant difficulty accessing the population. The questionnaire was distributed to 2 hospitality groups with an estimated total staff of 400; however despite numerous reminders, the response rate remained extremely low.

As a result a sampling frame was developed to include all employees from one particular hospitality group encompassing two venues. With the use of non-probability sampling methods, it is recommended that a minimum sample size of 30 people is required (Tennant,

2013 cited in Saunders *et al.*, 2019). The questionnaire ultimately reached 75 people with the sample of 60 respondents from the same organisation chosen.

4.8 Demographics

A demographic section was included as a prelude to the questionnaire to identify whether participants met the criteria of the study. This included questions regarding the participants' job level, employment status and whether they experienced temporary lay-off due to COVID-19. Age, gender and race/ethnicity were also included in the demographic section. Out of the 60 chosen, 31 were female and 29 were male. 83.3% identified as white with the remaining 16.7% identifying as Asian, Hispanic or Latino and Multiracial or Multi-ethnic. Majority of respondents were between the age of 25 - 34.

As seen above, age, gender and race/ethnicity were included in the demographic section albeit not necessarily relevant for this study. However, traditionally the hospitality industry in Ireland employs people of many different ethnicities/races. Therefore further studies might examine the varying responses to the PC under crisis in different ethnicities/races employed in the hospitality industry. Similarly, Metz *et al.* (2012) found that gender discrimination was apparent after the global financial crisis, noting that women's were disproportionately affected as the employment relationship received less attention from the employer in order to focus on mitigating the effects of the crisis at hand. Out of the 60 chosen, 31 were female and 29 were male. 83.3% identified as white with the remaining 16.7% identifying as Asian, Hispanic or Latino and Multiracial or Multi-ethnic. Majority of respondents were between the ages of 25 - 34.

4.9 Data Collection

The survey was distributed to hospitality employees over a 6 week period via SurveyMonkey, an online survey distribution software. When the survey was closed, the data was downloaded via an excel spreadsheet and transferred to IBM SPSS 2007 software for analysis. To prepare the data for input into SPSS, coding took place (Pallant, 2016). This involved assigning a numerical code to each answer ie. 1 = not at all, 5 = to a great extent. Variables were assigned scale measurements and treated as interval data. SPSS tools were used to develop descriptive statistics (Cronbach's alpha) and inferential statistics (confidence intervals) (Pallant 2016). Correlational analysis took place to test the relationship between the independent and

dependent variables in the hypothesis posed (Pallant, 2016). Prior to this, normality tests were conducted to determine statistical significance of the dataset assuming Shapiro-Wilk findings (Shapiro and Wilk, 1965). As a result, non-parametric testing is chosen, and Spearman's rho was implemented as an alternative to Pearson's (r) coefficient correlation, testing the relationship between independent and dependent variables (Pallant, 2016). Scatter plot diagrams were used to display findings.

A pilot study was not necessary in this instance, as the questionnaire had previously been applied to specific samples (Freese and Schalk, 2008). Given the nature of gathering primary data, ethical precautions were taken. These ethical precautions included a consent form preceding the questionnaire and informing respondents' about their right to participate in the study and the ways in which their information would be used and stored (Saunders *et al.*, 2019). Participants were informed of the treatment of data to ensure confidentiality and GDPR constraints ensuring anonymity. All participants were informed of their right not to participate and required to read all information provided (Adams *et al.* 2014) Additionally, before proceeding with the questionnaire, participants were required to tick a box confirming their consent to the participant based on the information provided.

4.10 Instrumentation

For the purposes of this research the questionnaire chosen provides an evaluation-orientated and feature-oriented approach with a unilateral perspective for the purposes of gathering primary data. In more simple terms, this means PC styles, content and level of fulfilment will be evaluated from the employee perspective, including employees of all job levels. Freese and Schalk (2008) consider a bilateral approach to be valuable from an organisational standpoint with respect to observing differences in perception between the employee and the employer. It is important to note here that Freese and Schalk (2008) observe that the PC in its nature is a highly individual and personal perception. With this in mind, Rousseau's (2000) PCI was an obvious choice for the purposes of this research. It is a scale-based, closed questionnaire that derives numerical data used to evaluate styles and content of the PC. The following discussion outlines the rationale behind this choice.

4.10.1 Psychological Contract Measurements

Freese and Schalk's (2008) paper examines measurements of the PC. Firstly they propose that in order for measurements to be deemed verifiable they must demonstrate 'construct validity', 'content validity' and must be 'theory-based or inductively developed' (Freese and Schalk, 2008, p. 272). Secondly, they developed a 6 factor criterion that constructs a framework used to verify the validity of questionnaires (Freese and Schalk, 2008). Under this criterion Freese and Schalk (2008) observed that in order to gain holistic understanding of the PC the following must be included: 'perceived organisation obligations, perceived employee obligations, a breach and violation scale and a global assessment of fulfilment or violation' (Freese and Schalk, 2008 pp. 281). In examining measurements of the PC, Freese and Schalk (2008) also propose that instrumentation should be derived from theory or rooted in inductive analysis of measurable data. Based on this, they endorse the use of Freese and Schalk (1997), Rousseau (2000) and Pyscones (2005) (Freese and Schalk, 2008).

4.10.2 Measurement Choice

Of the four of Freese and Schalk's (2008) suggested questionnaires, Rousseau's (2000) PCI was chosen for a number of reasons. Firstly, it was most easily accessible, with COVID-19 accessibility was restricted to online availability. Secondly, the psychometric properties of the PCI exhibit divergent and construct validity which proves high rates of efficacy (Dabos and Rousseau, 2004). Thirdly, it meets the criteria set out by Freese and Schalk (2008), described above. Finally, the questionnaire is suitable for unilateral use (Freese and Schalk, 2008)

4.10.3 Psychological Contract Inventory (PCI)

Rousseau's (2000) PCI has been a relatively popular approach to investigating style and context of the psychological contract with Johansen and Von Treuer (2012) use Rousseau's (2000) PCI in their investigation of the moderating effects of careerism on intention to leave in the psychological contract, through path analysis. The use of PCI (Article 1) in the context of this research is represented by descriptive analysis and aims to present a set of data used to describe the current situation. (Bhattacharyya, 2018). The questionnaire is derived from theory and examines four constructs related to the PC (relational, transactional, balanced and transitional) with further conceptually correlated subdivisions in order to verify discriminant and convergent validity (Rousseau, 2000). Each item included uses a 5-point Likert response

scale ranging from 1 (not at all) to 5 (to a great extent). Despite the Likert items representing the most commonly used dimension of agreement/disagreement, feedback from respondents of the survey suggested that the Likert items were somewhat unclear (Jamieson, 2004 cited in Bhattacharyya, 2018). However, Freese and Schalk (2008) suggest that causal changes to predetermined questionnaires can diminish the validity of the questionnaire. The PCI (2000) analyses types of PCs and perceived employee and employer obligations by addressing the below list (Figure 2). The PC Fulfilment subscale is used to identify PC breach. Employee Obligations, Employer Obligations and PC Transition subscales contain subsets that are interlinked to determine styles of contracts, for example the scores indicated in the Likert scale for the items included in the following subsets constitute the style of contract (Figure 3).

Figure 2:

Transactional Psychological Contract		
Employee Obligations	Short-Term	Narrow
Employer Obligations	Short-Term	Narrow

Figure 3:

I. Employee Obligations				
To what extent have you made the following commitments or obligations to your employer?				
Please answer each question using the following scale:				
1	2	3	4	5
Not at all	Slightly	Somewhat	Moderately	To a great extent

This section measures employee obligations and contains 7 subsets with 4 questions each.

Figure 4:

II. Employer Obligations				
Consider your relationship with your current employer. To what extent has your employer made the following commitments or obligations to you? Please answer each question using the following scale:				
1	2	3	4	5
Not at all	Slightly	Somewhat	Moderately	To a great extent

This question section and the following section measure employer obligations. This section contains 6 subsets with 4 questions each.

Figure 5:

III. Psychological Contract Transitions

To what extent do the items below describe your employer's relationship to you? Please answer each question using the following scale:				
1	2	3	4	5
Not at all	Slightly	Somewhat	Moderately	To a great extent

This section, listed as PC Transitions, is used in conjunction with the above section to determine PC types from perceived employer obligations. This section has 3 subsets with 4 questions each.

Figure 6:

IV. Psychological Contract Fulfillment

Please answer each question using the following scale:				
1	2	3	4	5
Not at all	Slightly	Somewhat	Moderately	To a great extent

The final section is known as PC Fulfillment and acts as a breach/violation scale measuring fulfillment. This section has 2 subsets with 2 questions each.

4.11 Limitations to the Methodological Approach

While there was significant rationale supporting the choice of Rousseau's PCI and the overall methodological approach as discussed above, there were limitations observed.

4.11.1 Questionnaire Length

The PCI contains 4 subsets and a total of 156 items taking an estimated 14 minutes to complete. While many studies of the PC implement revised or refined versions of established questionnaires, Freese and Schalk (2008) maintain that removing or replacing items from a questionnaire can reduce its validity. With this in mind, the choice was made to distribute the questionnaire in its entirety for optimal results; however a shorter questionnaire may have yielded higher participation rates.

4.11.2 Distributed and Completion

Self-completion questionnaires such as Rousseau's (2000) PCI or self-declared items can prove problematic. In this respect there is a heavy reliance on truth and honesty on answers. O'Donoghue *et al.* (2015) note that in distributing self-completion questionnaires it is difficult to determine whether the participants' answers were affected by external influences and specifically relate to this study; whether negative perceptions were underreported. As a control, the questionnaires were made anonymous. Similarly, with the parameters in place due to COVID-19 the questionnaire was administered remotely;

4.11.3 Cross Sectional Design

The research design adopted in this study is cross-sectional relating to an analysis of data at a given time period. Ideally, this research would have examined the PC in a comparative context by exploring the state of hospitality employees' PC prior to COVID-19. Bellou (2006) considers a longitudinal approach when viewing organisational change as more beneficial. Similarly, Abdalla *et al.* (2021) notes that a longitudinal research design would produce more accurate conclusions. However in this instance, this could not have been anticipated and no such study exists.

4.12 Conclusion

The above discussion has provided an overview of the methodological approach implemented in this study. It has provided a critical evaluation of possible methodological approaches by considering alternative methods in a comparative context with reference to other empirical research papers in closely related areas of study including Wu *et al.* (2021), Abdalla *et al.* (2021), Baum *et al.* (2020), Jones and Comfort (2021), Bellou (2006) and Davis and Van der Heijden's (2018). It has provided an overview of the development of the methodological approach paying specific attention to philosophical paradigms, instrumentation, methodological approach and time horizons. With the endorsement of supporting literature and other empirical research, the methodological approach adopted is a quantitative approach consisting of a closed-questionnaire, cross sectional in design and rooted in the positivist paradigm. With this in mind, Rousseau's (2000) PCI was chosen to identify psychological contract style and perceived obligations in hospitality employees who have experienced

organisational change due to crisis. As part of this research, it was also important to consider the possible limitations associated with the chosen methodological approach, outlined above.

CHAPTER 5: FINDINGS AND ANALYSIS

5.1 Introduction

Statistics represent different methods of data collection, analysis, and methods of interpretation which form the basis of this section of the paper (Brandimarte, 2011). This section will focus on the analytical approach taken to address the hypotheses posed which have been derived from empirical research and supported by theoretical findings from contemporary and seminal works on the PC. To begin, it will provide an overview of the data analysis with reference to software used for statistical analysis. There will be a brief discussion focused on the population and sample obtained for the purposes of this research. The chosen instrumentation will be discussed with reference to appropriateness and data collection. Data analysis will follow, outlining how the data was treated as well as statistical tests carried out via SPSS. A review of the findings will follow, focusing on the correlation of style, content and fulfilment of PC under the context of crisis. To conclude, there will be an overview of limitations experienced in the processes outlined in this section.

5.2 Data Analysis Overview

IBM SPSS Version 27 was used for data analysis to provide descriptive and inferential statistics. SPSS tools were used to test Cronbach's alpha to determine internal reliability for each subset and confidence intervals to establish the validity of the results in comparison to the population mean (Pallant, 2016). Correlational analysis was used to test the null hypothesis of each four hypotheses posed by this paper (Pallant, 2016). Preliminary normality tests were conducted to test the statistical significance of the data produced, assuming Shapiro-Wilk findings (Shapiro and Wilk, 1965). In most cases $p \geq 0.05$ in the test for normality, as a result non-parametric testing was adopted with Spearman's rho r_s as an alternative to Pearson's (r) coefficient correlation, testing the relationship between independent and dependent variables and represented on a scatter plot diagram (Pallant, 2016).

5.3 Population and Sample

Within the population a sample is extracted, this is known as a segment of the population and is intended to be representative of the entire population (Brandimarte, 2011). The study's initial aim was to produce a sample of 383 hospitality employees, for the survey through

industry contacts. This was based on a population size of 120,000 at a 95% confidence rate. The questionnaire was distributed as a live link via SurveyMonkey through a network of industry contacts. The initial time frame for the questionnaire was 4 weeks, however this was extended to 6 weeks to allow for more responses. The questionnaire was distributed to 2 hospitality groups with an estimated 400 total employees; however despite numerous reminders, the response rate remained extremely low. The questionnaire ultimately reached 75 hospitality employees. As a result of the issues surrounding the reach of the questionnaire, a convenience sampling strategy was adopted.

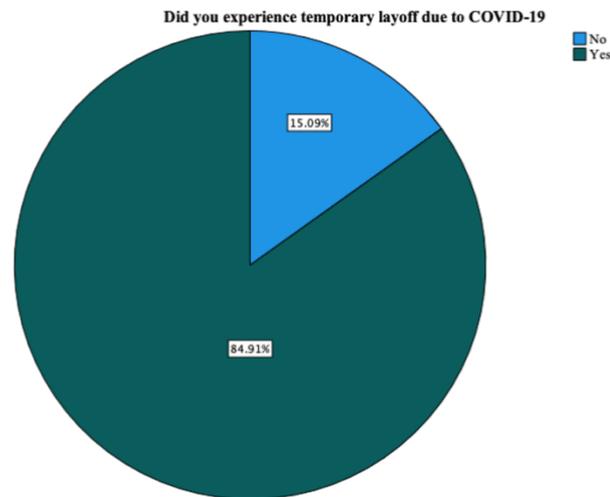
While convenience sampling was chosen for this research it is important to note that this has been observed as the most unreliable sampling method (Adams, 2014). Of the 75 reached 61 were from the same organisation; a hospitality group comprising two venues based in Dublin. The confidence level was calculated again based on a population of 72 and sample size of 60 yielding a 95% confidence level or $p \leq 0.05$. This hospitality group employed a variety of different job levels ranging from entry-level to supervisor (Figure 9). Of the 61 responses, 8 were identified as invalid due to missing data leaving 53 respondents for analysis. In general the completion rate of the questionnaire was 68%. Additionally, a small portion of employees did not experience temporary layoff and so were omitted from the study leaving the total sample (N) at 53 (Figure 7 and 8).

Figure 7:

Did you experience temporary layoff due to COVID-19

	Frequency	Percent	Valid Percent	Cumulative Percent
No	8	15.1	15.1	15.1
Yes	45	84.9	84.9	100.0
Total	53	100.0	100.0	

Figure 8:



5.4 Demographics

Demographics were considered as discussed in the previous section and preliminary questions were used to determine the suitability of each respondent. Out of the 60 chosen, 31 were female and 29 were male. 83.3% identified as white with the remaining 16.7% identifying as Asian, Hispanic or Latino and Multiracial or Multi-ethnic. Majority of respondents were between the ages of 25 - 34. Rousseau's (2000) PCI indicates the need to distinguish between job levels in a chosen sample, so as not to skew the results in favour of the employer. Job levels were identified in the demographics section of the questionnaire with the following choices (Figure 9 and 10) 'Entry-level' to 'middle management' positions represent non-influential positions within the organisation, in other words, these are non-decision making roles. The respondent that listed their job level as 'other' was ultimately included in the senior management group

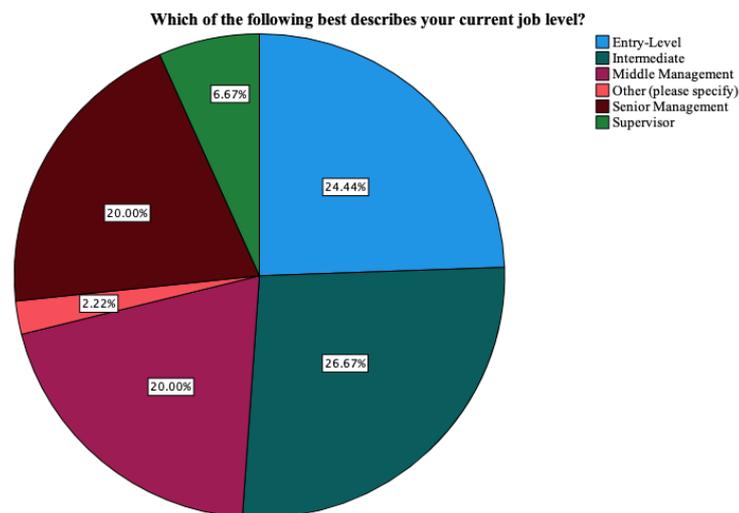
(Appendix 2). ‘Senior management’ and ‘supervisor positions’ represent decision making roles. A breakdown descriptive statistics by job level can be found in the appendix for reference (Appendix 2).

Figure 9:

Which of the following best describes your job level?

	Frequency (f)	Percent	Valid Percent	Cumulative Percent
Entry-Level	11	24.4	24.4	24.4
Intermediate	12	26.7	26.7	51.1
Middle Management	9	20.0	20.0	71.1
Other (please specify)	1	2.2	2.2	73.3
Senior Management	9	20.0	20.0	93.3
Supervisor	3	6.7	6.7	100.0
Total	45	100.0	100.0	

Figure 10:



5.5 Instrumentation

In order to maintain the highest level of credibility in this research, a pre-existing questionnaire with validated scales was used to assess the PC of the sample. The chosen questionnaire for this research was Rousseau's (2000) Psychological Contract Inventory (PCI). The appropriateness of the chosen scale is endorsed by Freese and Schalk's (2008) rigorous examination of published PC measurements. Its suitability was further supported by its psychometric properties, the inclusion of a breach/violations scale and the ability to use the questionnaire from a unilateral perspective (Dabos and Rousseau, 2004). Rousseau's (2000) PCI has been seen in other studies of the psychological contract such as Hamilton and Von Treuer (2012).

5.6 Data Collection

After the designated 6 week distribution period, the final dataset was collected. This data was organised by individual responses and exported in excel format. From there the data was uploaded to SPSS for analysis, to be discussed in greater detail below.

5.7 Psychological Contract Inventory (PCI)

Rousseau's (2000) produced her technical report on the PCI by testing 630 respondents across organisations from different industries across two culturally different regions: The USA and Singapore. The questionnaire itself contains 4 subscales measuring Employee Obligations, Employer Obligations, PC Transitions and PC Fulfilment (Rousseau, 2000). Each subscale contains subsets with items measured on a 5 point Likert scale ranging from 'not at all' to 'to a great extent'. Here the Likert scale was treated as interval data, assigning a scale measurement to each variable on SPSS. Initially, the data presented as ordinal but coding was used to assign numerical values to each answer ranging from 1 (not at all) to 5 (to a great extent). Variables represent each characteristic under analysis in a research study (Brandimarte, 2011). Variables are often characterised by different values for different elements of the sample under examination (Brandimarte, 2011). In this case variables are measured numerically representing a continuous dataset, as all variable values fall under the category of interval data (Brandimarte, 2011). While Likert-scales are frequently treated as ordinal data in research, Jamieson (2004) a novel sceptic of the use of Likert-scales, notes that there should

be some consideration that the Likert-scale can fall under the category of interval data. Each subset of the questionnaire correlates to a style of contract as indicated in Figure 1.

Note: The following terms referenced in Rousseau's (2000) PCI are used interchangeably throughout the study.

- *'Stability' and 'Security'*
- *'Dynamic Performance Requirements' and 'Performance Support'*
- *'Career Development - External Market' and 'External Marketability'*
- *'Career Development - Internal Market' and 'Development'*

5.8 Cleansing and Sorting Data

Before data analysis, outliers were identified by conducting explore analysis in SPSS. In such cases, 8 respondents were deemed unsuitable due to a significant lack of data obtained from their results. The data was then sorted for the purposes of analysis, SPSS allows the data to be organised in tabular format (Pallant, 2016). To begin, each candidate was assigned an individual and unique identification number.

5.9 Data Analysis

The first experiment was Cronbach's Alpha (α) to determine internal reliability (Figure 11). Rousseau (2000) originally identified Employee Short-Term as problematic, noting a .69 score. With the exception of Employee Narrow and Employer Narrow, all subscales yield a score above .70 suggesting acceptable internal reliability. Two problematic subscales were identified; Employee Narrow yielding a score of .667 and Employer Narrow yielding a score of .580.

Figure 11:

Internal Reliability			
PCI Subset	Cronbach's Alpha (α)	Sample PCI Mean (\bar{x}) Total	Standard Deviation (s)
Employee Short Term	.881	2.74	1.251
Employee Loyalty	.751	3.95	.806
Employee Narrow	.666	1.98	.866
Employee Performance Support	.796	4.28	.561
Employee Development	.858	4.03	.841
Employee External Marketability	.902	3.39	1.144
Employee Stability	.848	3.03	1.019
Employer Short Term	.799	2.22	.979
Employer Loyalty	.878	3.20	1.073
Employer Narrow	.597	2.20	.775
Employer Performance Support	.898	3.24	1.144
Employer Development	.946	3.53	1.039
Employer External Marketability	.933	2.50	1.195
Employer Stability	.918	3.08	1.158
No Trust	.841	2.35	1.084
Uncertainty	.931	2.45	1.212
Erosion	.804	2.18	.992
Employee Fulfilment	.813	4.04	.869
Employer Fulfilment	.858	3.40	.970

5.10 Descriptive Statistics

The arrangement, interpretation and representation of data through graphs and tables is known as descriptive data (Brandimarte, 2011). The items on the scale otherwise known as variables were combined appropriately to reflect the subsets developed by Rousseau (2000). For example, responses from the following items were combined to reflect Employee Short Term (Figure 12).

Figure 12:

EE SHORT-TERM

- _____ Quit whenever I want
- _____ I have no future obligations to this employer
- _____ Leave at any time I choose
- _____ I am under no obligation to remain with this company

Once the subsets were combined via SPSS, a test was conducted to determine the mean (\bar{x}) value and standard deviation (s) of each subset. In running a descriptive analysis of the sample, SPSS indicated that the valid sample (N) was 36, indicating that a large proportion of participants missed one or more of the questions in the questionnaires. Notably, the items in the Employer Fulfilment subset were most often skipped, consistent with the findings of Rousseau (2000) who reported a response rate of 435 out of a total of 630 respondents. This subset is concerned with the employees impression of their employer and so we consider whether employees feel uncomfortable answering these items. As described in the Hawthorne Effect (Landsberger, 1958 cited in Baxter *et al.*, 2015), participants who are observed in any capacity will be likely to adjust their behaviour to be perceived in a better light (Baxter *et al.*, 2015). The Hawthorne Effect occurs more frequently in cross-sectional studies. If observed over time, respondents are more likely to revert to more natural behaviours, for this reason it is suggested that longitudinal studies can yield more accurate behaviour from respondents (Baxter *et al.*, 2015).

A test for standard deviation (s) and sample mean values (\bar{x}) was conducted via SPSS to establish variation in answers across respondents' answers (Figure 12). Standard deviation is characterised as discrete probability distribution, measuring the variance of values of discrete random variables (Adams, 2014). The results indicate relatively high levels of variation in respondents' answers. This is not uncommon considering the sample consisted of employees across a range of job levels. One subset showed a relatively low Standard Deviation of .561; Employee Performance Support. This subset consisted of 4 items listed below (Figure 13):

Figure 13:

EE PERFORMANCE SUPPORT

- _____ Accept increasingly challenging performance standards
- _____ Adjust to changing performance demands due to business necessity
- _____ Respond positively to dynamic performance requirements
- _____ Accept new and different performance demands

The mean value for this subset is recorded at 4.28, demonstrating that the majority of employees believe that they fulfil their obligations to adjust to the changing needs of the company (Figure 14). While the mean value for Employee Performance Support is high, the mean value for Employer Performance Support is significantly lower at 3.24 indicating that employees perceive that their employer only somewhat fulfilled their obligation to create a continuous learning environment to support employees in meeting increasing performance expectations (Figure 14). With the absence of a baseline study of the PC in hospitality prior to COVID-19 it cannot be confirmed whether these results are a consequence of COVID-19. However these results are indicative of the environment created by COVID-19 with many organisations unprepared for the resulting unprecedented changes while requiring employees to adapt quickly to changing restrictions surrounding COVID-19.

The response rate of the questionnaire reduces as the questionnaire progresses, with the final subset, Employer Fulfilment receiving the lowest response of all (Figure 14). Additionally, the mean value of each subset from this study has been outlined below alongside Rousseau's (2000) study for comparative purposes (Appendix 3). The results of this study are relatively consistent with Rousseau's (2000) finding, providing a link between the findings of this research and existing theoretical and empirical research.

Figure 14:

Descriptive Statistics ^a					
	N	Minimum	Maximum	Mean (\bar{x})	Std. Deviation (s)
Employee Short Term	44	1	5	2.74	1.251
Employee Loyalty	45	2	5	3.95	.806
Employee Narrow	44	1	4	1.98	.866
Employee Performance Support	45	3	5	4.28	.561
Employee Development	44	1	5	4.03	.841
Employee External Marketability	44	1	5	3.39	1.144
Employee Stability	45	2	5	3.03	1.019
Employer Short Term	38	1	5	2.22	.979
Employer Loyalty	39	1	5	3.20	1.073
Employer Narrow	37	1	4	2.20	.775
Employer Performance Support	37	1	5	3.24	1.144
Employer Development	37	1	5	3.53	1.039
Employer External Marketability	37	1	5	2.50	1.195
Employer Stability	37	1	5	3.08	1.158
No Trust	37	1	5	2.35	1.084
Uncertainty	37	1	5	2.45	1.212
Erosion	37	1	5	2.18	.992
Employee Fulfilment	37	1	5	4.04	.869
Employer Fulfilment	36	1	5	3.40	.970
Valid N (listwise)	33				

a. Did you experience temporary layoff due to COVID-19 = Yes

5.11 Inferential Statistics

Data extracted from samples can be used to make predictions about the population in a research study, this is known as inferential statistics (Brandimarte, 2011). While not salient to the research, confidence intervals were tested to determine whether there was validity in the mean results of each subset from the sample provided (Figure 15). Confidence intervals were established through SPSS tools to demonstrate a mean value range expected in the general population. The results show that the mean value of each subset for the sample falls within the confidence intervals examined, however given the limitations in accessing the chosen population it is important to consider that the sample cannot produce an accurate depiction of the chosen population.

Figure 15:

One-Sample Test ^a						
Test Value = 0						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Employee Short Term	14.550	43	.000	2.744	2.36	3.12
Employee Loyalty	32.880	44	.000	3.950	3.71	4.19
Employee Narrow	15.150	43	.000	1.977	1.71	2.24
Employee Performance Support	51.260	44	.000	4.283	4.11	4.45
Employee Development	31.779	43	.000	4.028	3.77	4.28
Employee External Marketability	19.664	43	.000	3.392	3.04	3.74
Employee Stability	19.940	44	.000	3.028	2.72	3.33
Employer Short Term	14.000	37	.000	2.224	1.90	2.55
Employer Loyalty	18.612	38	.000	3.199	2.85	3.55
Employer Narrow	17.228	36	.000	2.196	1.94	2.45
Employer Performance Support	17.208	36	.000	3.236	2.86	3.62
Employer Development	20.680	36	.000	3.534	3.19	3.88
Employer External Marketability	12.730	36	.000	2.500	2.10	2.90
Employer Stability	16.187	36	.000	3.081	2.70	3.47
No Trust	13.194	36	.000	2.351	1.99	2.71
Uncertainty	12.275	36	.000	2.446	2.04	2.85
Erosion	13.377	36	.000	2.182	1.85	2.51
Employee Fulfilment	28.281	36	.000	4.041	3.75	4.33
Employer Fulfilment	21.055	35	.000	3.403	3.07	3.73

a. Did you experience temporary layoff due to COVID-19 = Yes

5.12 Tests of Normality

Each hypothesis presented below involves the testing of correlation between two continuous ordinal variables. With this in mind Pearson's r correlation coefficient was considered (Pallant, 2016). Before hypothesis testing took place, tests of normality were conducted to establish whether parametric or non-parametric tests would be more suitable indicating Spearman's rho (r_s) (Pallant, 2016). The following tables outline the findings (Figure 16). As Shapiro-Wilk proves to be more accurate in testing smaller sample sizes, the results from this section of the table were accepted (Shapiro and Wilk, 1965). The following subsets yielded statistical significance or p -value greater than 0.05 suggesting data is normal in only 5 subsets.

1. Employee Loyalty
2. Employee Narrow
3. Employer Performance Support
4. Employer Development
5. Employer Fulfilment

As the assumptions of normality were not met by the majority of subsets, non-parametric testing was primarily used throughout (Pallant, 2016). Spearman's rho (r_s) correlation coefficient, a common alternative to Pearson's r correlation coefficient, was chosen. Differing from Pearson's r correlation coefficient, it tests non-linear correlations, investigating the relationship between two interval, ordinal or ratio variables (Pallant, 2016). In this case, Spearman's rho (r_s) correlation is used to test the relationship between interval variables, in conjunction with descriptive statistics to test the null hypothesis.

Figure 16:

	Tests of Normality ^a					
	Kolmogorov-Smirnov ^b			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Employee Short Term	.123	33	.200*	.934	33	.046
Employee Loyalty	.146	33	.074	.913	33	.012
Employee Narrow	.205	33	.001	.851	33	.000
Employee Performance Support	.166	33	.022	.901	33	.006
Employee Development	.137	33	.120	.914	33	.013
Employee External Marketability	.161	33	.030	.914	33	.012
Employee Stability	.170	33	.016	.897	33	.005
Employer Short Term	.157	33	.037	.925	33	.025
Employer Loyalty	.155	33	.042	.951	33	.143
Employer Narrow	.135	33	.134	.940	33	.066
Employer Performance Support	.145	33	.074	.940	33	.069
Employer Development	.152	33	.050	.947	33	.106
Employer External Marketability	.196	33	.002	.933	33	.043
Employer Stability	.184	33	.006	.897	33	.005
No Trust	.104	33	.200*	.932	33	.040
Uncertainty	.132	33	.152	.915	33	.013
Erosion	.106	33	.200*	.930	33	.034
Employee Fulfilment	.251	33	.000	.842	33	.000
Employer Fulfilment	.179	33	.009	.939	33	.063

*. This is a lower bound of the true significance.

a. Did you experience temporary layoff due to COVID-19 = Yes

b. Lilliefors Significance Correction

5.11 Findings

Rousseau's (2000) PCI includes a breach/violation scale which measures the perceived level of fulfilment of employee and employer obligations. As discussed, the response rate to the fulfilment subscale was significantly lower than previous subscales. The sample have a relatively strong belief that they have fulfilled their obligations to their employer ($\bar{x} = 4.04$) (Figure 17). However, their perception of their Employers' Fulfilment of their obligations is comparatively lower ($\bar{x} = 3.40$). Interestingly, Employer Fulfilment is lowest in *Intermediate* positions ($\bar{x} = 2.81$) and highest in *Entry Level* positions ($\bar{x} = 4.06$) (See Appendix 2). Spearman's rho (r_s) indicates that Employee Fulfilment and Employer Fulfilment are positively correlated ($r_s = .339$) with $p = .043$ indicating statistical significance (Figure 18). This suggests that, as employers fulfil their perceived obligations, employees will fulfil their perceived obligations in tandem.

Figure 17:

	N	Minimum	Maximum	Mean (\bar{x})	Std. Deviation (s)
Employee Fulfilment	37	1	5	4.04	.869
Employer Fulfilment	36	1	5	3.40	.970

a. Did you experience temporary layoff due to COVID-19 = Yes

Figure 18:

		Employee Fulfilment	Employer Fulfilment
Employee Fulfilment	Pearson Correlation	1	.339*
	Sig. (2-tailed)		.043
	N	37	36
Employer Fulfilment	Pearson Correlation	.339*	1
	Sig. (2-tailed)	.043	
	N	36	36

*. Correlation is significant at the 0.05 level (2-tailed).

a. Did you experience temporary layoff due to COVID-19 = Yes

5.11.1 Hypothesis 1

Employee fulfilment subset is positively correlated with transactional contracts in psychological contracts under crisis.

Transactional Contracts are comprised of Narrow and Short-Term subsets, and indicate short-term arrangements based on economic exchanges and limited employee involvement (Rousseau, 2000). Descriptive statistics produced via SPSS indicated that, on average, respondents exhibited a stronger orientation to relational contract ($\bar{x} = 3.34$) (Figure 17), as opposed to transactional contract ($\bar{x} = 2.32$) (Figure 18). With this in mind, we tested the correlation between employee fulfilment and both PC styles. As all subsets associated with the relational and transactional contracts indicate $p < 0.05$, showing a significant deviation from normality, Spearman's rho (r_s) was chosen for correlation analysis. The dependent variable is Employee Fulfilment and the independent variable is Transactional Contract.

Spearman's rho (r_s) indicates that transactional orientation is negatively correlated with employee fulfilment in the sample tested $r_s = -.150$ while statistical significance is not found with $p = .375$ (Figure 21). The findings are represented on a scatter plot diagram (Figure 20). Conversely relational orientation is positively related to employee fulfilment in the sample tested $r_s = .461$ (Figure 19). Statistical significance is declared as $p = 0.04$. The findings are represented on a scatter plot diagram (Figure 22). With this in mind, we reject the null hypothesis indicating that there is a statistically significant relationship and positive correlation between employee fulfilment and relational contract, in contrast to Wu *et al.*'s (2021) findings.

Figure 19:

	Descriptive Statistics ^a				Std. Deviation (s)
	N	Minimum	Maximum	Mean (\bar{x})	
Relational	45	2	5	3.34	.665
Valid N (listwise)	45				

a. Did you experience temporary layoff due to COVID-19 = Yes

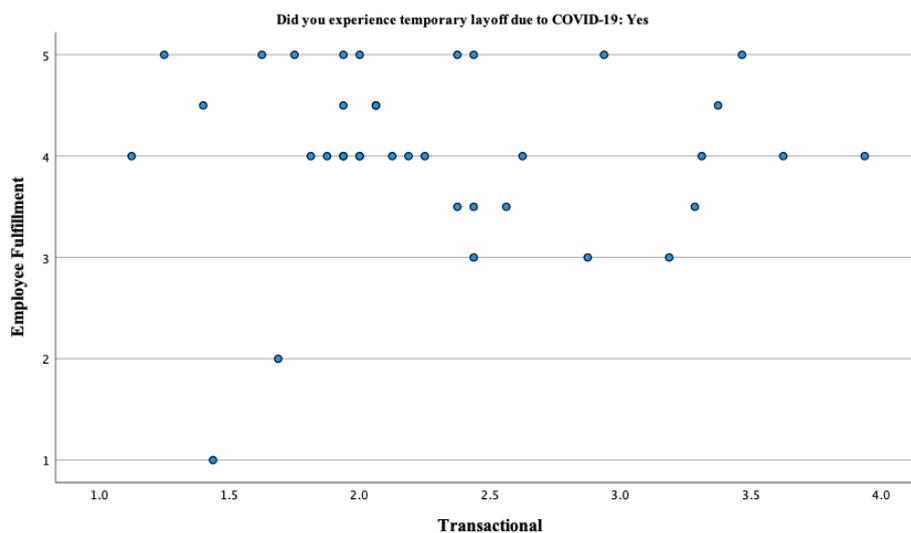
Figure 20:

Correlations^a

		Employee Fulfilment		Transactional
Spearman's rho	Employee Fulfilment	Correlation Coefficient	1.000	-.150
		Sig. (2-tailed)	.	.375
		N	37	37
	Transactional	Correlation Coefficient	-.150	1.000
		Sig. (2-tailed)	.375	.
		N	37	45

a. Did you experience temporary layoff due to COVID-19 = Yes

Figure 24:



5.11.2 Hypothesis 2

Employer Fulfilment subset is negatively correlated with employee short-term subset in psychological contracts under crisis.

Employee short-term represents the employee's intention to leave the organisation; the lower the mean score for short-term the higher the indication that respondents intend to remain with the organisation (Rousseau, 2000). The findings from this study indicate that employees have little intention of leaving the organisation indefinitely and perceive strong future commitments from their employer ($\bar{x} = 2.74$) (Figure 23). Notably, respondents in *Entry Level* indicate $\bar{x} =$

2.86 and *Supervisor* indicate $\bar{x} = 2.92$ have the lowest intention to leave the organisation (See Appendix 2). The findings here show that turnover intention is relatively low in employees who have experienced crisis.

Spearman's rho (r_s) indicates there is no correlation between Employer Fulfilment and Employee Short Term in the sample tested $r_s = -.006$ while statistical significance is not found with $p = .972$, meaning the null hypothesis is accepted, indicating there is no relationship between each variable (Figure 26). The findings are represented on a scatter plot diagram (Figure 27). This suggests that as Employer Fulfilment increases, intention to remain in the organisation is not expected to increase concurrently and so the null hypothesis is accepted.

Figure 25:

	N	Minimum	Maximum	Mean (\bar{x})	Std. Deviation (s)
Employee Short Term	44	1	5	2.74	1.251
Employer Fulfilment	36	1	5	3.40	.970

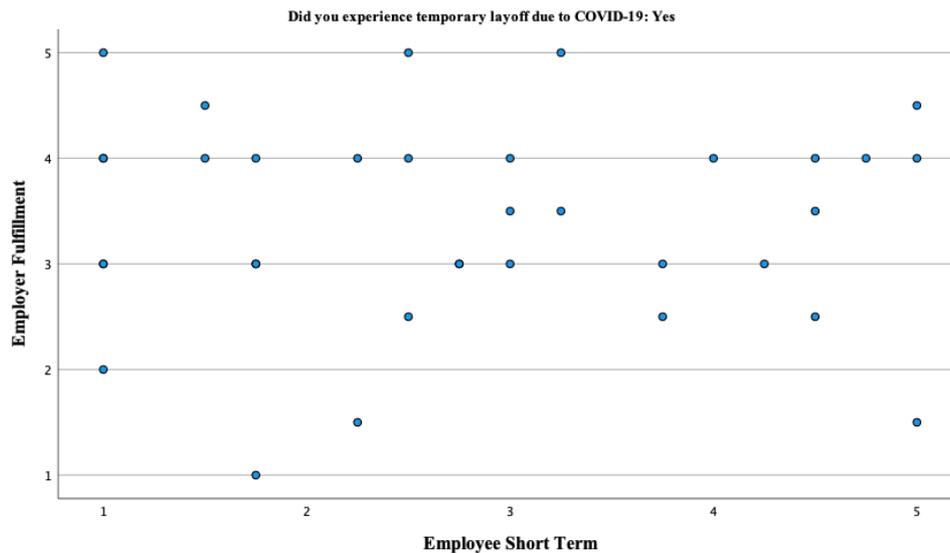
a. Did you experience temporary layoff due to COVID-19 = Yes

Figure 26:

		Employer Fulfilment	Employee Short Term
Spearman's rho	Employer Fulfilment	1.000	-.006
	Correlation Coefficient		
	Sig. (2-tailed)	.	.972
	N	36	35
Employee Short Term	Employee Short Term	-.006	1.000
	Correlation Coefficient		
	Sig. (2-tailed)	.972	.
	N	35	44

a. Did you experience temporary layoff due to COVID-19 = Yes

Figure 27:



5.11.3 Hypothesis 3

Employer Fulfilment subset is positively correlated with employee stability subset in psychological contracts under crisis.

Employee Stability indicates the level of job security perceived by employees, by asking respondents their intention of remaining with their employer (Rousseau, 2000). The underlying assumption for this hypothesis is that organisational changes are directly associated with environmental changes and change can reshape the PC (McCann, 2004 and Morrison, 1994). Organisational response to crisis as observed by Filimonau *et al.* (2020) suggest that the employers ability to fulfil their obligations is linked to perceived job security. The question here is whether Employer Fulfilment is positively correlated with Employee Stability through times of ‘avalanche’ change (Suarez and Olivia, 2005).

The findings note that respondents are Employee Stability was relatively similar across all job levels with *Intermediate* levels showing the lowest mean score at $\bar{x} = 2.58$ (Figure 28). Spearman's rho (r_s) indicates there is a positive correlation between Employer Fulfilment and Employee Stability in the sample tested $r_s = .498$ indicating that as employers fulfil their perceived obligations, employees concurrently perceive similar levels of job security (Figure 29). Statistical significance was presented with $p = .002$, meaning the null hypothesis is

rejected, indicating there is a positive relationship between each variable. The findings are represented on a scatter plot diagram (Figure 30).

Figure 28:

	N	Minimum	Maximum	Mean (\bar{x})	Std. Deviation (<i>s</i>)
Employer Stability	37	1	5	3.08	1.158
Employee Fulfilment	37	1	5	4.04	.869

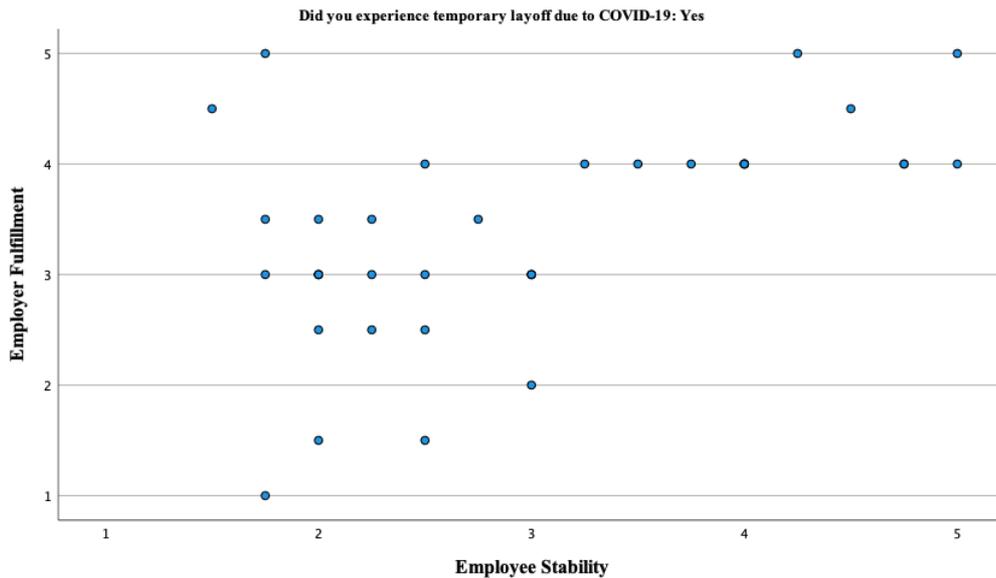
a. Did you experience temporary layoff due to COVID-19 = Yes

Figure 29:

			Employer Fulfilment	Employee Stability
Spearman's rho	Employer Fulfilment	Correlation Coefficient	1.000	.498**
		Sig. (2-tailed)	.	.002
		N	36	36
	Employee Stability	Correlation Coefficient	.498**	1.000
		Sig. (2-tailed)	.002	.
		N	36	45

** . Correlation is significant at the 0.01 level (2-tailed).

Figure 30:



5.11.4 Hypothesis 4

Employee loyalty subset is positively correlated with employer internal development subset in psychological contracts under crisis.

Filimonau *et al.* (2020) recognise organisational change as a force of PC breach which results in low levels of organisational commitment. Wu *et al.* (2021) suggest that providing internal development opportunities for employees through crisis can maintain organisational commitment, forming the basis of this hypothesis which seeks to establish whether Employer Development and Employee Loyalty increase simultaneously.

Findings indicates that employee organisational commitment remained moderately high through COVID-19 with $\bar{x} = 3.95$ while perceived development opportunities were moderate with $\bar{x} = 3.53$ (Figure 31). Spearman's rho (r_s) shows that there is a positive correlation between Employer Development and Employee Loyalty in the sample tested $r_s = .370$ indicating that as employers provide internal development opportunities, employees demonstrate organisational commitment in parallel (Figure 32). Statistical significance was presented with $p = .024$, and so the null hypothesis is rejected, indicating there is a positive relationship between each variable. The findings are represented on a scatter plot diagram (Figure 33). As organisational commitment remains at a moderately high, and based on the literature in this realm, we consider the role of communication in the employment relationship represented in Rousseau's (2000)

‘no trust’ subset yielding $\bar{x} = 2.35$ indicating that communication is evident and trust is found in the employment relationship of the sample tested. (See Appendix 2).

Figure 31:

Descriptive Statistics^a

	N	Minimum	Maximum	Mean (\bar{x})	Std. Deviation (s)
Employee Loyalty	45	2	5	3.95	.806
Employer Development	37	1	5	3.53	1.039

a. Did you experience temporary layoff due to COVID-19 = Yes

Figure 32:

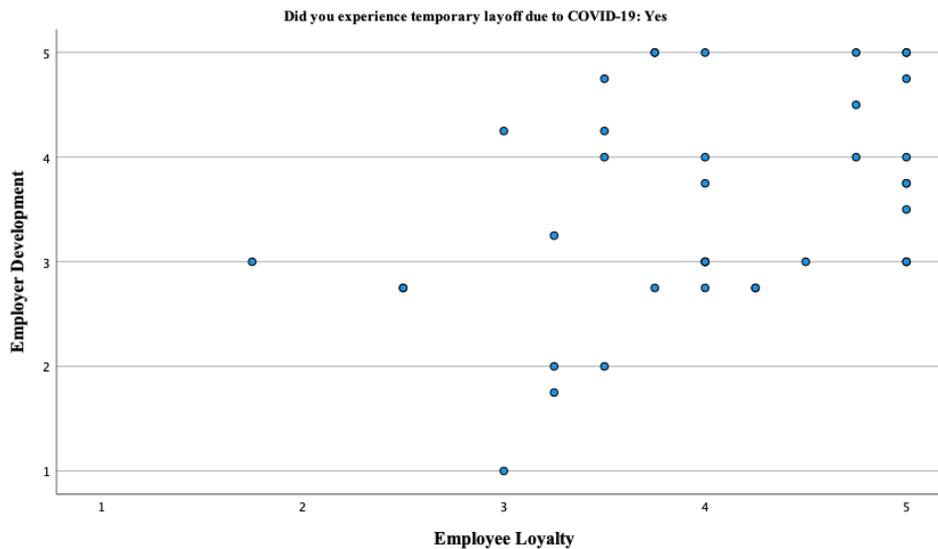
Correlations^a

			Employer Development	Employee Loyalty
Spearman's rho	Employer Development	Correlation Coefficient	1.000	.370*
		Sig. (2-tailed)	.	.024
		N	37	37
	Employee Loyalty	Correlation Coefficient	.370*	1.000
		Sig. (2-tailed)	.024	.
		N	37	45

*. Correlation is significant at the 0.05 level (2-tailed).

a. Did you experience temporary layoff due to COVID-19 = Yes

Figure 33:



5.12 Concluding Remarks

Through descriptive and correlation analysis it has been established that through crisis, the sample examined presented a higher level relational orientation contradicting contemporary research findings (Wu *et al.* 2021). The findings demonstrated a link between employers fulfilling their obligations and perceived employee job security, an assumption supported by Filimonau *et al.*, 2020 and Wu *et al.* 2021). In contrast to suggestion (Wu *et al.*, 2021), very little correlation was found between employer fulfilment and intention to leave, indicating that intention to leave may be influenced by other, possibly external factors actors. Finally, organisational commitment was positively linked to internal development, noting the importance of investing in employees through crisis (Wu *et al.* 2021). Interestingly the findings have demonstrated relational orientations as well as organisational commitment, unusual findings in crisis. While, popular research shows that alterations to the contract and/or unfulfilled employer obligations cause breach this study found that in general there was little indication of breach on average, however the respondents at the *Intermediate* level did perceive low levels of job security and low levels of organisational commitment, indicating a higher propensity for breach at these levels. The concept of breach and fulfilment will be discussed further in the next chapter (Abdalla *et al.*, 2021 and Wu *et al.*, 2021).

5.13 Limitations

COVID-19 crisis is very recent and while there is empirical research with more emerging, on its impact in the PC, most research was either qualitative (Wu *et al.*, 2021 and Abdalla *et al.*,

2021) or theoretical (Baum *et al.*, 2020 and Jones and Comfort *et al.*, 2021). Comparative studies contexts can be seen in the global financial crisis (Metz *et al.* 2012) or the SARS outbreak of 2003 (Baum *et al.*, 2020). No study regarding the PCs under crisis in the hospitality industry in Ireland existed to be used in a comparative context. A longitudinal study could have been more effective in exploring the changing dynamics of the PC, as suggested by Wu *et al.* (2021) and Abdalla *et al.* (2021) in relation to their own observations. However given the sporadicity of COVID-19 this could not have been anticipated. In support of Abdalla *et al.*'s (2021) recommendations, a longitudinal study would yield more accurate results. Additionally studies on more or generalised populations might be beneficial in creating baseline empirical research, by which more defined populations can be compared.

5.14 Conclusion

The findings of the data produced suggest that the overall dataset was consistent with Rousseau's (2000) baseline study (Appendix 3). The findings validated some assumptions but provided a new insight into the correlation between styles of PC and content under the context of crisis. With this in mind, the further research is welcomed on the disparity between the impact of crisis on industry as opposed to its impact on individual organisations. Additionally research into the effect of strength in employment relationships in managing PC through crisis would be beneficial in developing contingency plans and developing leaders to deal with crisis.

CHAPTER 6: DISCUSSION

6.1 Introduction

This section will provide a reflective and critical review of the literature discussed and research findings in this paper, focusing on the observed significance of perceived fulfilment of obligations, organisational commitment, internal development opportunities and turnover intention. It will identify commonalities and disparities between the research findings and the observations gained through established literature and contemporary studies. It will focus on addressing the research question at hand, while bridging the gap in literature. The discussion itself will provide food for thought in respect to future research approaches.

6.2 Contemporary Research Rooted in PC Theory

In the realm of academia, PC theory has received criticism surrounding the validity of its position in the employment relationship (Guest, 1998 and Budd, 2020). Budd (2020) in particular, suggests that the PC acts as a guise for inherent HRM discrepancies. Nevertheless, the PC represents a very real and important facet of the employment relationship; the subtle exchanges that constituted the fulfilment of perceived reciprocal obligations (Rousseau, 1989). PC theory has developed greatly over time, from its origins rooted in SET (Levinson, 1962) to the development of the expectations in the employment relationship (Schein, 1965) to the seminal works of Rousseau (1989) who built on the concept of fulfilment and introduced the idea of perception; the very basis of contemporary PC literature. However, the development of PC theory has received minor attention since the period of Rousseau's seminal works (1989, 2000). Today, PC styles, content and breach are at the forefront of interest and their cause and effect relationships dominating PC research; a testament to Rousseau's contribution to PC theory.

Most importantly the PC is paramount in managing and maintaining the employment relationship, an observation amplified by crisis (Wu *et al.*, 2021). Lopez and Fuiks (2021) observe that the impact of COVID-19 has spurred a conversation on how best to manage the PC under the pressure of a crisis with studies by Filimonau *et al.* (2020), Wu *et al.* (2021), Abdalla *et al.* (2021), Baum *et al.* (2020), Jones and Comfort (2021) adding contemporary knowledge to PC and crisis. This study set out to add knowledge to new and contemporary

literature on PCs under crisis by focusing on Ireland's hospitality Industry during COVID-19. Based on the findings outlined in the previous chapter, the following discussion emerged.

6.3 The Research Question Addressed

What is the current state of psychological contract styles and content of employees who have experienced COVID-19 related temporary layoff in Ireland and how best can the psychological contract be managed under these circumstances?

Contrary to recent findings the sample examined in this research demonstrated a higher relational orientation rather than transactional (Wu *et al.*, 2021). The findings also indicate that organisational commitment and perceived job security remained relatively high on average through crisis and are moderately consistent with Rousseau's (2000) findings (Appendix 3). The positive correlation between job security and employer fulfilment is unsurprising regardless of context and is consistent with Rousseau's (2000) assumptions (Figure 3). This finding offers little insight and is relatively meaningless with regard to the research question. However the findings from other three hypotheses posed demonstrated more interesting conclusions to be discussed below.

6.4 Internal Development and Organisational Commitment

This study demonstrates a direct positive correlation between internal development opportunities provided by the employer and employee loyalty, noting that as opportunities increase so does organisational commitment. This is consistent with the prominence of the relational contract in the research findings. Filimonau *et al.* (2020) noted that organisational commitment under crisis, especially for management, can be protected by provisioning opportunities for professional and personal development. Wu *et al.* (2021) and Townsend and Wilkinson (2013) maintain that investment in development opportunities can maintain the PC through crisis and thus maintain a positive employment relationship. Ultimately this approach can aid organisations recovery from crisis (Metz *et al.*, 2012). Maintaining development opportunities arguably corresponded with sustained communication. The positive correlation between organisational commitment and internal development opportunities observed, and moderate levels of trust suggests that clear and effective communication has taken place (Appendix 2).

6.5 Leadership Communication in Managing Crisis

Rousseau (2004) observed that the incomplete nature of PC demonstrates that changes in circumstance can alter the PC, an idea also supported by Morrison (1994). Employers must allow for flexibility in the PC to prepare for crisis and this is best managed through effective leadership (Rousseau, 2004). Leader behaviours are inherently situational suggesting that leaders can coordinate their own behaviour to manage effectively in respect to the changing environments (Perrow, 1970 cited in Vroom and Jago, 2007). This endorses the assumption that effective leadership communication and establishing trust-based relationships can manage the PC through change (Lopes and Fuiks, 2020 and Wu *et al.*, 2021).

Rousseau (2000) maintains that trust creates the basis of an effective employment relationship. The more organisations engage with their employees through crisis the more chance there is of maintaining effective trust-based relationships (Wu *et al.*, 2021). Traditionally, in times of crisis employers withdraw from providing training and development opportunities in response to uncertainty which can have a detrimental affected on organisational commitment (Metz *et al.*, 2012). Ultimately, leaders bridge the gap between the PC and HRM (McDermott *et al.*, 2013)

6.6 Turnover Intention and The Environment

Baum *et al.* (2021) observe that intention to leave in the hospitality has been amplified by the COVID-19 pandemic. Studies have shown that turnover intention is a product of unfulfilled obligations but not always directly linked (Abdalla *et al.*, 2021 and Freese *et al.*, 2011). Turnover intention can be considered a paradox of unfulfilled employers obligations; meaning unfulfilled employer obligations often correspond positively with turnover intention, however there is no direct correlation. The findings from this research indicate that no correlation exists between turnover intention and unfulfilled employer obligations. Studies have observed that PC fulfilment is not directly linked to turnover intention, both Hamilton and Von Treuer (2012) and Freese *et al.*, (2011) found that mediating factors such as careerism or organisational commitment, respectively cause turnover intention. In the case of this research turnover intention remains low and organisational commitment is moderate as indicated above. As no correlation exists between the two, this causes us to consider whether organisational commitment is more closely linked with the organisation, while turnover intention is linked to

the external environment. Further research into the role of the external environment as a mediating factor is welcomed.

6.7 External Environment

Undoubtedly, the external environment plays a significant role in this research. The population chosen was that of hospitality employees who experienced temporary layoff due to COVID-19. The scale and impact of COVID-19 can be closely associated with Suarez and Olivia's (2005) theory of 'avalanche' change, observing that crisis response is best managed through leadership communication. Environmental change can affect the level of organisational commitment that employees deem suitable (Lub *et al.*, 2016). For example, if environmental circumstances cause organisational change and affect employer fulfilment, employees are likely to shift their behaviours to protect themselves. As mentioned above, Wu *et al.* (2021) note that respondents to their survey presented transactional orientations to the PC as a mechanism of protection. In contrast, the findings of this study show that respondents demonstrated a higher level of relational orientation. As the sample tested in this research contained participants from the one organisation, questions on whether specific organisational response to crisis can affect the styles of PC found in the employment relationship.

6.8 Unfulfilled Employer Obligations or Breach

Contemporary studies show that an employer's ability to fulfil their obligations can impact organisational response to crisis (Filimonau *et al.*, 2020 and Wu *et al.*, 2021). The concept of fulfilment is highly prevalent in PC theory and is frequently referenced in this study. This research uncovers problematic differentiations in terminology, noting that unfulfilled employer obligations do not necessarily constituted PC breach under the context of crisis. Prior to COVID-19, studies have traditionally shown that unfulfilled employer obligations initiate PC breach, akin to Abdalla *et al.*'s (2021) findings that unpaid leave causes psychological contract breach and organisational distrust. Similarly, Rousseau (2004) links breach to job dissatisfaction and decreased commitment.

In the context of this research, the sample examined comprised of hospitality employees who had experienced temporary lay-off due to COVID-19. Statistical analysis based on the findings of Rousseau's (2000) PCI breach/violation scale on the chosen sample, demonstrated that breach of PC was not highly prevalent. This brings into consideration, the role of context, in this case the external environment and uncontrollable crisis. It prompts the question, do

unfulfilled obligations, as a product of the environment and out of the control of the employer not cause breach in PC? Furthermore, is breach is a product solely, of intentional unfulfilled employer obligations?

6.9 Conclusion

This study proposes that the external environment plays an extremely significant role in destemming the fulfilment in perceived employer obligations however it maintains that effective communication in the employment relationship can maintain the PC through times of crisis. While indirect unfulfilled employer obligations may not end in breach, this research adds to existing theory by suggesting that effective leaders can manage crisis, under the assumption that leaders adapt effectively to change, themselves (McDermott *et al.*, 2013). In support of this contemporary literature proposes that organisations best manage PCs when leaders engage with employees frequently with transparent communication, create relationships built on trust and continue to provide development opportunities for employees (Lopez and Fuiks, 2021 and Townsend and Wilkinson, 2013).

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

The primary objective of the stated research question was to better understand the state of PCs under crisis, in an attempt to add to knowledge whereby future research can be built, on how best to manage the PC through crisis. This research, based on the samples examined, maintains that the psychological contract under crisis can demonstrate relational orientations and maintain trust-based relationships where development opportunities are made available and employers are perceived to fulfil their obligations. Interestingly, the research shows that a distinction may exist between breach of contract and unfulfilled employer obligation. The research suggests that unfulfilled employer obligations as a result of external environmental factors may not cause breach in contract. Similarly, the findings suggest that turnover intention may be more closely linked to the external environment than the organisation, under the context of crisis.

7.2 Further Research Opportunities

Based on the discussion in the previous chapter, there is significant scope for future research in the area of PC theory and crisis, in three areas in particular. Further research distinguishing breach from employer fulfilment under the context of crisis is welcomed. Contrary to the findings of Abdalla *et al.* (2021) who observe that unpaid leave constitutes breach of PC, the findings in this study suggest that there is no significant indication that breach has occurred. Additionally, this study showed no correlation between unfulfilled employer obligations and turnover intention. This indicates that turnover intention is caused by other factors, a common idea in PC theory (Hamilton and Von Treuer, 2012). This research suggests that further research might explore the idea that the external environment might contribute more greatly to turnover intention than the organisation itself. Finally, Baum *et al.*, (2020) note that COVID-19 has caused the amplification of existing disparities in hospitality. A comparison study, benchmarking the impact of COVID-19 on the PC of hospitality employees versus another industry might shed light on whether the hospitality industry was disproportionately affected by COVID-19.

7.3 Recommendations (CIPD)

As previously discussed the scale of the COVID-19 crisis is only comparable to that of the global financial crisis. With this in mind, Townsend and Wilkinson's (2013) study on HRM

strategy in the Australian hospitality sector throughout the global financial crisis provides a basis for practical suggestions for HRM. In support of the findings of this study, maintaining and creating internal opportunities is paramount for organisations transcend the impact of crisis (Filimonau *et al.*, 2020 and Townsend and Wilkinson, 2013). Developing the core workforce is an investment from which the organisation will benefit economically while treating the peripheral workforce as replaceable labour (Townsend and Wilkinson, 2013). Townsend and Wilkinson (2013) observe that training employees in other positions can reduce the effects of potential downsizing, or temporary lay-off due to unexpected crises. Wu *et al.*, (2021, pp. 8). Notes that employers dealing with crisis must commit to ‘culture building’ and ‘two way communication’.

7.3.1 Mentoring

In the transfer of skills and knowledge, group mentoring is a cost effective approach that encourages group discussions, and supports the development of employees lacking in experience (Harris *et al.*, 2015). In particular, group mentoring can assist in the transfer of knowledge and skills throughout the organisation (Harris *et al.*, 2015). Alternatively, mentoring as a dual practice can be highly effective in allowing the transfer of skills and knowledge both ways (Armstrong and Taylor, 2020). Armstrong and Taylor (2020) endorse the effectiveness of mentoring as the easiest way to maintain organisational development. Both mentoring solutions are cost effective in that the financial implications are the time of each party.

7.3.2 Leadership Development Programmes

Caplan (2013) observes the importance of leadership in communicating organisational goals and values. Leadership programmes can enhance organisational performance and aid development by focusing on the importance of consistent engagement (Daly and Overton, 2017). Armstrong and Taylor (2020, pp. 329) observe that leadership programmes are essential in creating ‘next generation leaders’. Leadership development programmes are particularly effective when including context orientated training (Burgoyne, 2010 cited in Armstrong and Taylor, 2020). This can include teamwork and individual exercises directed at provoking empathetic thinking and focusing on soft skills (Burgoyne, 2010 cited in Armstrong and Taylor, 2020). The 360-degree feedback approach to leadership development is particularly effective. It includes commentary and constructive criticism from both employees and peers

(Armstrong and Taylor, 2020) While information gathered from feedback can be unreliable at times, it adds to the employment relationship developing a greater level of transparency and accountability throughout the organisation. Leadership development programmes can be individual programmes or part of inclusive organisational growth programmes. Enterprise Ireland offer a range of strategic programmes aimed at leadership development. Programmes generally take place over the course of a year and in the case of Enterprise Ireland range from, €875 to €27,000 depending on the program chosen and company size.

7.4 Research Design and Instrumentation:

The suitability of the research design and instrumentation has been validated in the prior discussion however alternative approaches may have been beneficial to the study (Freese and Schalk, 2008). To begin, limitations arose with regard to the target population and sample. A quantitative study on a more generalised population might have been beneficial as baseline study from which this research could have developed a longitudinal study as opposed to a cross sectional design. Additionally, the target population was restricted to one particular industry; a larger population that extend the confines of one particular industry might have produced more accurate results. Correlation coefficient analysis took place on the data attained from the sample. Path analysis, identifying mediators and the cause and effect of aspects of the PC might have given a greater insight into the findings of the study. Rousseau's (2000) PCI is a lengthy questionnaire. The response rate to the questionnaire, coupled with the completion rate indicated that the questionnaire could have been reduced in size. With the sample size attained, a qualitative based survey may have provided more accurate data. Despite this, the approach taken provided interesting findings as outlined above.

7.5 Contribution to Theory Advancement and Conclusion

Contemporary studies including Filimonau *et al.* (2020), Wu *et al.* (2021), Abdalla *et al.* (2021), Lopez and Fuiks (2021), Baum *et al.* (2020), Jones and Comfort (2021) have added knowledge to PC theory incorporating crisis elements with COVID-19. Traditionally and with respect to the above mentioned studies, qualitative measures and theoretical assumptions dominate PC theory. Similarly, the cause and effect relationship presented in PCs has been the main focus of PC research. While a discourse on the impact of COVID-19 on the PC has emerged in the realm of contemporary HRM, no study has examined the PC under crisis in the context of COVID-19 crisis using a quantitative research design. Similarly, no study on the

relationship between crisis and the PC in Ireland's hospitality industry has been found. This study adds knowledge to the understanding of the impact of crises on the PC in the hospitality industry in Ireland by identifying paths for further research and providing practical recommendations to help organisations manage the PC through crisis.

PERSONAL LEARNING STATEMENT

In the midst of the COVID-19 chaos, that redefined our society and separated us from our existing reality, life somehow carried on. I found myself committed to a Master's Degree in Human Resource Management during a global pandemic; a very unexpected situation.

The challenges usually associated with a Master's Degree were arguably heightened by these unprecedented circumstances. As a result, I believe I have grown personally and professionally, implementing the skills I have learnt throughout my studies. My ability to understand and critically interpret literature has been effectively enhanced by this process. I gained practical experience in collecting, interpreting and analysing data. I have learned to trust my own abilities, work independently toward deadlines and articulate my thoughts and observations effectively. I have learnt valuable skills in Human Resource Management and gained an extensive understanding into the employment relationship through my research of the psychological contract and leadership, respectively.

Above all, I have gained confidence in my capabilities. I could never have anticipated the challenges that would arise, however I am eternally grateful for the resilience I have built as a result of this Master's Degree. I now know that nothing is insurmountable.

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Appendices

Appendix 1

THE HEINZ SCHOOL -- CARNEGIE MELLON UNIVERSITY

Psychological Contract Inventory

Employee and Employer Obligations

Denise M. Rousseau

5/1/2008

This document contains four sets of psychological contract scales: Employee Obligations, Employer Obligations, Fulfillment, and Contract Transition Indicators. The H.J. Heinz II Professorship provided research support. Denise Rousseau holds copyright to this work. You have permission to use any or all of the measures included here as long as you provide appropriate citation (consistent with APA or AOM guidelines) in any publication, presentation or other dissemination based on its use. Please email denise@cmu.edu with any questions. Best wishes, Denise

I. Employee Obligations

To what extent have you made the following commitments or obligations to your employer?

Please answer each question using the following scale:

1	2	3	4	5
Not at all	Slightly	Somewhat	Moderately	To a great extent

EE SHORT-TERM

- _____ Quit whenever I want
- _____ I have no future obligations to this employer
- _____ Leave at any time I choose
- _____ I am under no obligation to remain with this company

EE LOYALTY

- _____ Make personal sacrifices for this organization
- _____ Take this organization's concerns personally
- _____ Protect this organization's image
- _____ Commit myself personally to this organization

EE NARROW

- _____ Perform only required tasks
- _____ Do only what I am paid to do
- _____ Fulfill a limited number of responsibilities
- _____ Only perform specific duties I agreed to when hired

EE PERFORMANCE SUPPORT

- _____ Accept increasingly challenging performance standards
- _____ Adjust to changing performance demands due to business necessity
- _____ Respond positively to dynamic performance requirements
- _____ Accept new and different performance demands

EE DEVELOPMENT

- _____ Seek out developmental opportunities that enhance my value to this employer
- _____ Build skills to increase my value to this organization
- _____ Make myself increasingly valuable to my employer
- _____ Actively seek internal opportunities for training and development

EE EXTERNAL MARKETABILITY

- _____ Build contacts outside this firm that enhance my career potential
- _____ Build skills to increase my future employment opportunities elsewhere
- _____ Increase my visibility to potential employers outside this firm
- _____ Seek out assignments that enhance my employability elsewhere

EE STABILITY

- _____ Remain with this organizational indefinitely
- _____ Plan to stay here a long time

- _____ Continue to work here
- _____ Make no plans to work anywhere else

II. Employer Obligations

Consider your relationship with your current employer. To what extent has your employer made the following commitments or obligations to you? Please answer each question using the following scale:

1	2	3	4	5
Not at all	Slightly	Somewhat	Moderately	To a great extent

ER SHORT-TERM

- _____ A job only as long as this employer needs me
- _____ Makes no commitments to retain me in the future
- _____ Short-term employment
- _____ A job for a short time only

ER LOYALTY

- _____ Concern for my personal welfare
- _____ Be responsive to my personal concerns and well-being
- _____ Make decisions with my interests in mind
- _____ Concern for my long-term well-being

ER NARROW

- _____ Limited involvement in the organization
- _____ Training me only for my current job
- _____ A job limited to specific, well-defined responsibilities
- _____ Require me to perform only a limited set of duties

ER PERFORMANCE SUPPORT

- _____ Support me to attain the highest possible levels of performance
- _____ Help me to respond to ever greater industry standards
- _____ Support me in meeting increasingly higher goals
- _____ Enable me to adjust to new, challenging performance requirements

ER DEVELOPMENT

- _____ Opportunity for career development within this firm
- _____ Developmental opportunities with this firm
- _____ Advancement within the firm
- _____ Opportunities for promotion

ER EXTERNAL MARKETABILITY

- _____ Help me develop externally marketable skills
- _____ Job assignments that enhance my external marketability
- _____ Potential job opportunities outside the firm
- _____ Contacts that create employment opportunities elsewhere

ER STABILITY

- _____ Secure employment
- _____ Wages and benefits I can count on
- _____ Steady employment
- _____ Stable benefits for employees' families

III. Psychological Contract Transitions

To what extent do the items below describe your employer's relationship to you? Please answer each question using the following scale:				
1	2	3	4	5
Not at all	Slightly	Somewhat	Moderately	To a great extent

NO TRUST

- _____ Withholds information from its employees
- _____ Acts as if it doesn't trust its employees
- _____ Introduces changes without involving employees
- _____ Doesn't share important information with its workers

UNCERTAINTY

- _____ Difficult to predict future direction of its relations with me
- _____ An uncertain future regarding its relations with me
- _____ Uncertainty regarding its commitments to employees
- _____ Uncertainty regarding its commitments to me

EROSION

- _____ Demand more from me while giving me less in return
- _____ Decreased benefits in the next few years
- _____ Stagnant or reduced wages the longer I work here
- _____ More and more work for less pay

IV. Psychological Contract Fulfillment

Please answer each question using the following scale:				
1	2	3	4	5
Not at all	Slightly	Somewhat	Moderately	To a great extent

EMPLOYEE FULFILLMENT

- _____ Overall, how well have you fulfilled your commitment to your employer
- _____ In general, how well do you live up to your promises to your employer

EMPLOYER FULFILLMENT

- _____ Overall, how well does your employer fulfill its commitments to you
- _____ In general, how well does your employer live up to its promises

Descriptive Statistics^a

	Entry Level (\bar{x})	Intermediate (\bar{x})	Middle Management (\bar{x})	Senior Management (\bar{x})	Supervisor (\bar{x})
Employee Short Term	2.86	3.09	2.45	2.44	2.92
Employee Loyalty	3.75	3.46	4.43	4.31	4.00
Employee Narrow	2.30	1.93	1.70	1.97	1.92
Employee Performance Support	4.16	4.33	4.32	4.39	4.08
Employee Development	3.70	3.93	4.35	4.17	4.08
Employee External Marketability	3.16	3.27	3.68	3.36	3.83
Employee Stability	3.09	2.58	3.05	3.42	3.33
Employer Short Term	2.28	2.13	2.50	1.97	2.13
Employer Loyalty	3.11	3.08	3.50	2.97	3.63
Employer Narrow	2.63	2.33	2.28	1.56	2.38
Employer Performance Support	3.75	2.97	3.14	3.06	3.63
Employer Development	3.22	3.03	3.78	4.08	3.50
Employer External Marketability	2.38	2.11	2.53	2.83	3.13
Employer Stability	3.38	2.75	2.83	3.36	3.25
No Trust	1.91	2.61	2.19	2.64	2.38
Uncertainty	1.94	2.67	2.58	2.56	2.38
Erosion	1.53	2.42	2.33	2.33	2.38
Employee Fulfilment	3.81	3.61	4.44	4.33	3.75
Employer Fulfilment	4.06	2.81	3.28	3.44	3.50

a. Did you experience temporary layoff due to COVID-19 = Yes

Descriptive Statistics (Comparative)

PCI Subset	Rousseau PCI Mean (\bar{x})	Entire Sample PCI Mean (\bar{x}) Total
Employee Short Term	2.72	2.74
Employee Loyalty	3.58	3.95
Employee Narrow	1.99	1.98
Employee Performance Support	3.92	4.28
Employee Development	4.02	4.03
Employee External Marketability	3.51	3.39
Employee Stability	3.61	3.03
Employer Short Term	2.72	2.22
Employer Loyalty	3.03	3.20
Employer Narrow	2.51	2.20
Employer Performance Support	3.39	3.24
Employer Development	3.23	3.53
Employer External Marketability	2.62	2.50
Employer Stability	3.61	3.08
No Trust	2.43	2.35
Uncertainty	2.55	2.45
Erosion	2.31	2.18
Employee Fulfilment	4.24	4.04
Employer Fulfilment	3.59	3.40