

Working Paper

Working Paper - Extracting the components of Psychological Contracts of Hotel employees in Northern Germany

Keywords – Psychological Contract, Q Methodology, Hotel Industry

Paper's importance

Hotels around the world have been experiencing dangerous levels of labour shortage and high turnover (Hwang et al. 2014; Ma, Ren and Zhao 2021). These phenomena have been affecting both developed and emerging markets and staff retention is now an action priority for practitioners (dwif consulting 2022; Salama et al. 2022). The shortage of qualified labour has already caused noticeable economic damage in some regions (Mügglér, Liechti and Schärner 2022). In Northern Germany, tourism constitutes a key industry with a wide range of other sectors depending on it (SGVSH 2020); as the region, particularly its rural and remote areas, is facing developmental marginalization (Siedentop and Stroms 2021; Wolf 2016), stabilizing the industry is an important task.

Theoretical base

This research takes the position of Rousseau (1989) that the Psychological Contract is to be defined as a unilateral set of beliefs and expectations. Thus, the current project focuses exclusively on the subjective, intra-personal view on the Psychological Contract and aims to establish an understanding of the nature of Psychological Contracts among hotel employees in the region. The role of the Psychological Contract in employee retention has been recognized and received academic attention in recent years (Holland and Scullion 2021; Shanker Chaubey 2016; Snyman 2022; Tabassum and Ghosh 2023).

Research Purpose and Method

This study seeks answers to the following questions:

- What shared viewpoints exist among frontline hotel employees in Northern Germany about the employer inducements expected in their Psychological Contract?
- Which inducements are equally valued by employees?
- On the importance of which inducements do viewpoints differ?
- What demographic and workplace characteristics are associated with the different viewpoints?

We have adopted Q Methodology to enable us to determine the variety of viewpoints which may exist among different demographics and across the diverse landscape of workplaces. In this working paper we present the set of subjective statements reflecting expectations on employer inducements which may be formed by employees and potentially our initial findings from the Q sort. The statement concourse was accessed by reviewing 141 job postings published on a popular job search portal for hospitality professionals (*Hotelcareer*. 2023) in September 2023 as well as corporate career websites of hotel companies active in Northern Germany. Analysis revealed a concourse of explicitly and implicitly promised inducements from which 97 initial statements in 20 categories were derived. These were reduced to 49 statements in 13 themes, phrased from a first-person perspective. The statements will be employed in a Q Sort (Watts and Stenner 2012) to determine the relative importance of inducements to employees regarding their job satisfaction.

Conclusions and implications for practice

The overarching purpose of this study is to generate a basis on which practitioners can make informed decisions about strategies and tactics to improve their employees' job satisfaction and increase staff retention. The findings will also provide a basis for further academic engagement with the topic and for improving our understanding of the mechanisms behind the labor shortage in this particular environment and help the search for a sustainable solution.