

**PSYCHOLOGICAL CONTRACT AND EMOTIONAL ENGAGEMENT OF
EMPLOYEES IN HOTEL INDUSTRY: SPECIAL REFERENCE TO
DAMBULLA AREA**



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ABSTRACT

In today's context, human resource is considered as a valuable resource for any business organization as business organization are operating in a very competitive environment. Hence, researcher investigated the research problem with related to the emotional engagement of employees.

The current study was aimed at investigating the impact of transactional contract and relational contract on emotional engagement of employees in hotel industry, special reference to Dambulla area and conceptual model is developed based on the existing literature. Since, the selected hotels in Dambulla (The Paradise Resort & Spa, Lake Lodge Boutique, Amaya Signature, Jetwing Lake) are very popular, the employees in those hotels were selected as target population of the study. There are 594 employees in those 4 hotels and researcher selected 200 of employees as the sample of the study. The collected data has been analyzed by using descriptive statistics, correlation analysis and regression analysis.

According to the descriptive analysis results, mean values of study variables, based on the decision rule, indicates there are low level of transactional contract and high levels of relational contract and emotional engagement of employee in hotel industry in Dambulla area. There have low degree of negative relationship between transactional contract and emotional engagement and there have positive relationship between relational contract and emotional engagement of employee in hotel industry in Dambulla area. Finally, transactional contract and relational contract positively impact to the emotional engagement of employee in hotel industry in Dambulla area.

Keywords: *Psychological Contract, Emotional Engagement, Transactional Contract, Relational Contract*

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