

IMPACT OF THE COVID-19 PANDEMIC IN THE HOSPITALITY INDUSTRY - JOB INSECURITY

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Abstract

The COVID-19 epidemic sparked a global economic crisis with long-term ramifications, including almost every facet of life. The study's first step is to predict the impact of the COVID-19 epidemic on the Indian hotel sector and to interpret the turnover intentions of top-level, middle-level, and lower-level employees. The data collected from 378 hospitality staff between top, middle and lower-level staff from India indicated that due to the COVID-19 pandemic, job insecurity at the top-level is positively related and turnover intention is high, while at the middle-level and lower-level, the turnover intention is less due to concern that they are inexperienced & fresher, that they will remain safe in the same organization. Theoretical and practical consequences were debated.

Keywords: *Hotel Industry, COVID-19, Employee's, Turnover Intention*

Introduction

The COVID-19 pandemic had a havoc effect on the entire economy. This has caused an unrivalled tragedy for all industries. This was found in Wuhan city, located in central China Hubei, in December 2019 and has continuously affected more than 150 countries and destroyed lives worldwide. In a few weeks, this virus spread so fast and targeted over lakhs of lives and caused more deaths, which were confirmed by the World Health Organization. Job stress, unemployment, and health-related risks were the biggest concerns on the entire level. According to (Nicola et al., 2020), the hotel and tourism business were

the worst affected by the COVID-19 epidemic, which had a direct impact on the sector's socio-economic consequences as well as employment. In addition, job insecurity and unemployment were noticeable concerns on the world level (Godinic et al., 2020). The World Travel and Tourism Council warned that the COVID-19 pandemic may jeopardize 50 million jobs in the global travel industry, with the tourism sector being one of them. According to (Nicola et al., 2020), the hotel and tourism industries were the most severely impacted by the COVID-19 outbreak, which had a direct influence on the sector's socio-economic repercussions as well as employment. The impact of COVID-19 has resulted in a sharp drop or collapse in the hotel and tourist sectors. As a result of the crisis, millions of individuals are concerned about their jobs and have reduced their pay (Jones & Comfort, 2020). Employees are working from home during lockdown due to economic and health-related concerns, which results in limited communication with others and a poor income. This raises the degree of tension. As a result, existing employees are anxious about their jobs due to the uncertainty of the future. This is why they are safe inside the same company. As a result, it is severely impacted by the impacts of COVID-19, such as temporary hotel lockdowns, cancellation of hotel bookings, travel cancellations, and other extreme scenarios. These demonstrate the employees' intention of leaving (Lekfuangfu, 2020) the negative consequences of which may be distributed unevenly under lockdown regulations. In this paper, we construct a new set of pandemic-related indices from the Occupational Information Network (OINET).

The concern now is how COVID-19 effects, which are represented in job insecurity, such as financial consequences, budgetary measures, and pay deductions, retrenchment, and health and safety difficulties, affect employee turnover intentions.

In this study, we explore job insecurity as well as the influence of COVID-19 on hotel employees. According to prior research, COVID-19 and job insecurity have never been studied at various levels of employees in the Indian hotel sector. As a result, the study seeks to assess the impact of the COVID-19 epidemic on the Indian hotel sector, as well as contextualize the turnover intentions of top-, middle-, and lower-level employees.

Theoretical Framework

Impact of Job Insecurity due to the COVID-19 Pandemic on Employees' Turnover Intentions

Job insecurity is the most traumatic situation in the profession of employees. As per the previous literature, they proved that job insecurity was

positively related to the employee's turnover intention (Reisel et al., 2010). According to (Vujičić et al., 2015), the amount of job insecurity was adversely related with employee satisfaction with their conduct. Furthermore, (Lee et al., 2018) revealed that job insecurity is positively associated to the desire to leave of employees who feel uncomfortable in their current position yet wish to stay. Soeker et al., (2008), focused their research on health-related issues, such as workers' concerns about being as productive after recovering from COVID. In support of (Soeker et al., 2008), (Godinic et al., 2020) said that employees are less productive during isolation owing to health issues such as loneliness, anxiety, and stress level. Job insecurity demonstrates the detrimental impact of mental illness and crosses the social divide that has emerged as a result of the pandemic issue. Due to the COVID-19 impact, which directly deals with the uncertainties of income and pay levels, there is a symptom of dissatisfaction and worry in the service industry workers (Mao et al., 2020). As such, their research focused on performance and productivity as the same as before COVID-19. As a result, it is predicted that health-related issues will not have a negative impact on turnover intentions as a result of the pandemic, because employees do not want to leave their employment. According to research, younger employees have always been more prone to or have less turnover intentions throughout their professional path (Tanova & Holtom, 2008). Furthermore, (Akova et al., 2015) observed that new hotel workers appeared to have stronger job participation, which encouraged turnover intentions in the other direction, due to their lack of experience and employment possibilities. Based on the fact that younger workers were more satisfied with their jobs and had fewer turnover intentions. (Kipkebut, 2013) observed that younger employees were more pleased with their jobs and had lower turnover intentions. Because they had fewer opportunities for new occupations, existing individuals put forth more effort and energy. National governments are faced with assisting these sectors in providing financial assistance and planning to establish corporate social responsibility, according to (Mao et al., 2020). In order to provide financial assistance, the government implements policies to assist employees. The increasing effects of job insecurity, which affect negatively the work satisfaction of hospitality professionals and the commitment of the organization, because the hospitality sector recruits temporary workers. It develops employees' personal self-efficacy, strength and develops their motivation level. (Hitka & Sirotiakova, 2011) discussed how job insecurity is considered to be a powerful predictor of work behavior in terms of job satisfaction and turnover intentions, which shows a negative relationship. As stated in the previous state of art, if this type of pandemic or crisis creates job insecurity, it decreases the level of self-efficacy and lowers the motivation level of employees. (Markovits et al., 2014; Spurk & Straub, 2020) estimate that job insecurity and job fear

are negatively correlated and are generally found in temporary employees. Van Hootegeem et al. (2019), by looking for a new job with the effect of the pandemic, job insecurity increases and shows a strong relationship with the turnover intention because of low salary and cuts in salary (Caroli & Godard, 2016; Markovits et al., 2014).

During the impact of COVID-19, it was shown that a situation of cutting salaries, retrenchment of employees, and removing employees from their organization created mental stress for the employees that led to job insecurity and increased turnover. Elshaer and Saad (2017), proved that any changes in an organization, such as downsizing and salary cuts, directly create a scene for retaining staff's mind to intent to leave the organization.

Methodology

The paper is exploratory as well as analytical. Employees at 4 and 5 star hotels in Jaipur, India, are the study's target demographic. Primary data came through questionnaires and interviews with statistical tools, while secondary data came from peer-reviewed research articles, books, and journals.

Analysis of Data using Statistical Test

The data was analysed and interpreted using the relevant statistical programme, MS Excel. The influence of COVID-19 on different levels of employees in the Indian hotel sector is investigated using percentage and descriptive techniques. The questionnaire is contextualized on the basis of the COVID-19 impact, which is divided into three tiers of staff to analyze the turnover intentions of the employees. After concluding the secondary data study, researchers came up with a model and to test model, researchers conducted a preliminary study to check the reliability and validity of the model. The obtained data is analyzed using statistical techniques in SPSS software that compare mean, ANOVA, and percentage. The questionnaires are given at random among staff at the top, medium, and lower levels of 4 and 5 star hotels. Google Docs was used to disseminate the questionnaire.

Sample

The statistical software tool SPSS version 24 was used to analyzes the data. The information for this study was gathered from employees in the hotel sector in Jaipur, Rajasthan, India. The sample was carried out in September and October of 2020. Most nations were afflicted by the pandemic issue at the time. The sample size for the survey is 378, which is calculated from

the Slovin’s formula. Collected data was further analyzed with the help of statistical tools to draw the results of the study. The responses were collected between three tiers of staff (top-level, middle-level and low-level), which is shown below as Fig. 1. Demographic data incorporated between the respondent’s ages of 25-35, 26-35 and 36-45 (67%). As indicated in Fig. 1, the tiers of employees who replied were classified into top-level, middle-level, and lower-level employees.

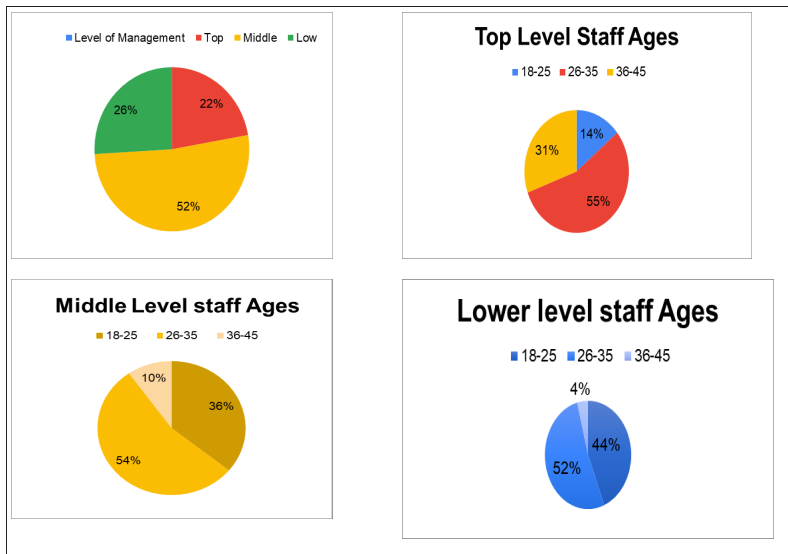


Fig. 1

Research Instrument

Several items’ measures were derived from previous scales and research. Job insecurity is considered an independent variable. The employment insecurity of employees was assessed using five items based on scales established by (Baum et al., 2020). Employee turnover intention was measured using a two-item scale created by (Meyer et al., 1993) and acting as a dependent variable. Respondents expressed their views on the defined 7-item scale. For items such as: “How often do you feel like quitting your job in this organization due to COVID-19?” and “How likely will you be leaving your organization next year?” However, certain statements were updated to accommodate the observed worries about the challenges experienced by COVID-19.

Data Analysis

Cronbach’s coefficient results confirmed the internal consistency of the measurements. Five items on the job insecurity scale have a reliability of 0.89, while two items on turnover intention have a reliability of 0.86. The levels of the workers represent the impacts of COVID-19 in Fig. 2, Fig. 3, and Fig. 4.

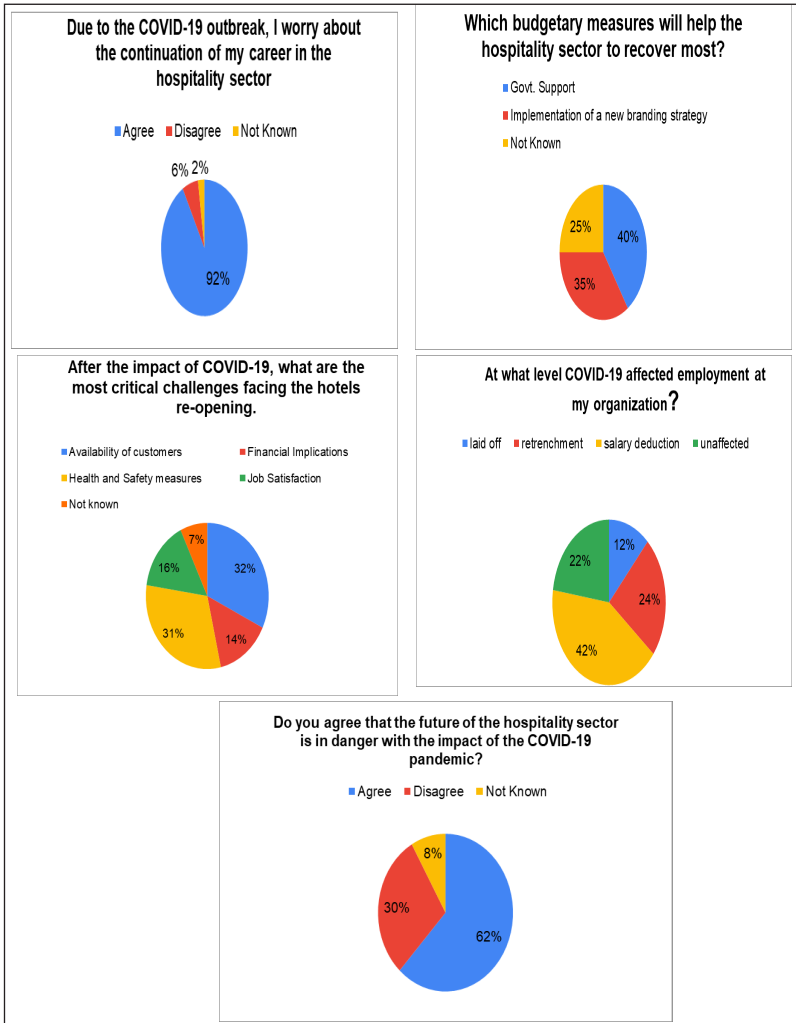


Fig. 1: Top-Level Employee’s Responses

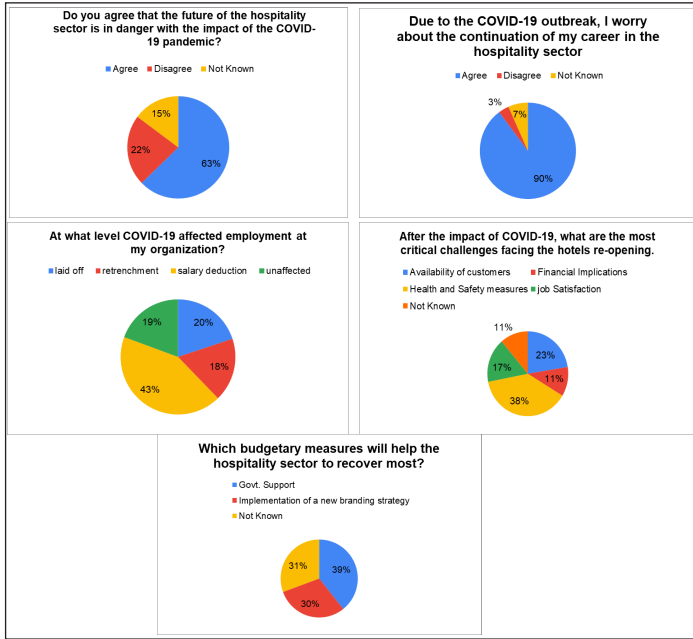


Fig. 2: Middle-Level Employee's Responses

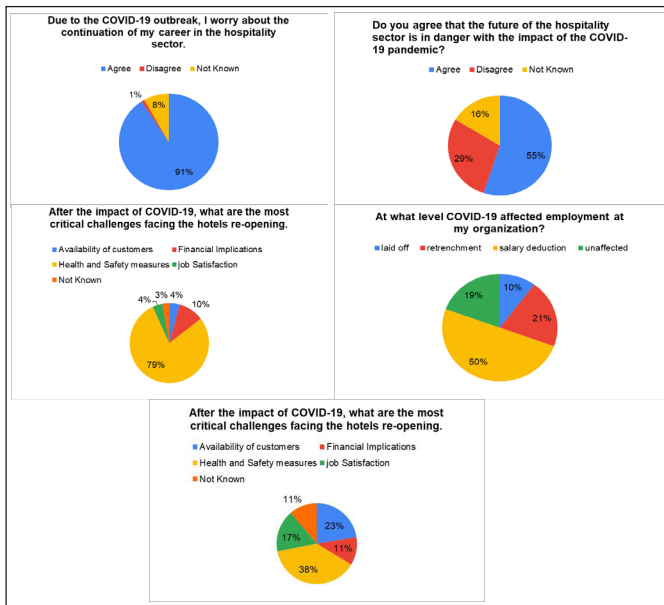


Fig. 3: Lower-Level Employee's Responses

Table 1: Descriptive Statistics for Top-Level, Middle-Level and Lower-Level

	Mean	Std. Deviation	N
Top-Level employees	2.440	.9293	84
Middle-Level employees	2.390	.7874	196
Lower-Level employees	2.378	.8527	98

Table 2: (ANOVA) Depicts the Association between Top-Level, Middle Level, and Lower-Level Workers

Levels	Sig. Value
Top-Level employees	0.013
Middle-Level employees	0.462
Lower-Level employees	0.432

Table 2 demonstrates that the significant value of all levels (Top-Level, Middle-Level, and Lower-Level) with turnover intention, a dependent factor, is less than 0.05 p values. It indicates that there is a strong link between high level employees because they are more concerned about their professional position and advancement, as well as feeling uneasy as a result of the COVID-19 epidemic. Whereas middle and lower level employees are not as worried with turnover intention since they are either newer or less experienced in their employment position and, owing to the epidemic, they are remaining in the same industry for job security.

Discussion and Conclusion

According to the findings, job insecurity caused by a crisis can influence employee behavior, which is consistent with previous research. A negative relationship between job insecurity and job satisfaction revealed that if employees are not sure about the future of their employment (Spurk & Straub, 2020). Because the respondents were considering looking for a new work, increased job insecurity triggered by COVID-19 is a significant predictor of greater turnover intentions. Respondents were aware that it would be difficult to obtain new employment because COVID-19 had affected nearly every industry; therefore they chose to stay with their existing employer. The research on the labor market during the crisis revealed that job selection possibilities were relatively restricted (Snorradóttir et al., 2013) and that quitting the company may not be the best method to deal with job insecurity

(Kim et al., 2012). Employers must use extreme prudence in this situation. Creating more challenging jobs, recognizing the effort put in to complete the job, and assisting employees may increase their loyalty to the company and inspire a desire to stay rather than depart, even when the economy recovers.

Although the study's findings indicated that mental and physical health issues experienced when alone were not significant indicators of turnover intentions, employers should not disregard these complaints. While it may appear that problems induced by pandemics and physical isolation are transient and subside after the pandemic is finished, documented concerns are persistent. People were concerned following the SARS pandemic because they were afraid of sickness and death (Person et al., 2004). According to recent research on the impact of COVID-19, loneliness, hopelessness, hostility, and uncertainty all contributed to elevated blood pressure (O'Neil et al., 2020). Employers must make an effort to demonstrate to their workers that their workplace is a safe place to discuss any health concerns, including mental health issues, without fear of being judged. Supervisors can assist achieve this by providing effective methods for dealing with health issues. Supervisors can arrange for workers to socialize in nature or another pleasant location once it is safe for them to gather again. All of this can result in physically and mentally better employees, as well as fewer long-term economic and societal costs. The World Health Organization has encouraged people to take certain safety precautions. Employees' health should indeed be examined on a regular basis. Future research might provide more complete results by comparing the effects of COVID-19 on two or more countries, especially if the countries have similar cultural or economic circumstances. Future research might also look at whether other organizational techniques or employees' commitment and confidence in the organization can affect work attitudes and turnover intentions, thereby minimizing the negative repercussions of the epidemic. To assess if employee attitudes have altered in the same way in other industries, it would be helpful to duplicate this survey on employees in other industries, given no industry was unaffected by the epidemic. Because the pandemic shown that crises may strike when we least expect them, the findings of this and other COVID-19-related research could aid us in drawing some inferences and, if not averting a crisis, at least better reacting when one occurs.

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