The Great Resignation in Hospitality: Stressors, Pandemic Impacts, and Retention Strategies

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Abstract

This study investigates the compounding factors driving high turnover in the hospitality industry, where pre-pandemic attrition rates (60-120%) were exacerbated during the Great Resignation. Through in-depth interviews with Macau's five-star hotel employees, the study reveal how three interconnected factors shape turnover intentions: (1) occupational stress intensified by understaffing and demanding service standards, (2) limited career advancement opportunities, and (3) pandemic-related job insecurity and health concerns. Our analysis demonstrates that actual resignations require specific triggers - notably better job alternatives or financial security - while retention is strengthened by supportive work environments and transparent career pathways. The study contributes a novel 4Rs framework (Retirement, Reconsideration, Reshuffling, Reluctance) to explain post-pandemic turnover dynamics, offering practical HR solutions including psychological capital training and structured promotion systems to enhance workforce stability.

Keywords: hospitality turnover; Great Resignation; occupational stress; retention strategies, COVID-19 impacts

Introduction

The hospitality industry's workforce challenges have reached critical levels, with employee turnover rates consistently dwarfing those of other service sectors. Annual attrition figures between 60% and 120% reflect systemic issues that predate but were dramatically exacerbated by the COVID-19 pandemic (Agovino 2019). The Great Resignation phenomenon saw hospitality workers leaving their positions at 6.8% - double the cross-industry average - creating unprecedented staffing crises across the sector (Moreo et al., 2023). Traditional explanations focusing on job dissatisfaction, emotional labor demands, and workplace stress provide only partial understanding of this complex phenomenon. The pandemic introduced new dimensions to employee attrition, including profound health anxieties, fundamental reevaluations of life

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priorities, and severe erosion of organizational trust. These emerging factors interact with longstanding industry challenges in ways that demand scholarly attention (Fontinelle 2022).

This study focuses specifically on Macau's five-star hotel sector, where employees experience significantly elevated stress levels and diminished psychological capital compared to workers in lower-tier establishments. The study makes three distinct contributions to the literature. First, it systematically examines how pandemic-specific stressors interact with chronic industry challenges. Second, it identifies the critical junctures where turnover intention transforms into actual resignation. Third, it develops evidence-based retention strategies tailored to the post-pandemic labor market realities. The Asian context proves particularly insightful, as cultural and institutional factors mediate resignation trends differently than in Western economies, with implications for both theory and practice.

Literature Review

Contemporary understanding of hospitality workforce challenges draws upon three interconnected research streams. The occupational stress literature documents how hospitality work environments generate unique pressures, with stress existing along a continuum from performance-enhancing eustress to debilitating distress (Brule and Morgan 2018) (Ma et al. 2021). Emotional labor - the sustained effort to regulate emotional expressions to meet organizational expectations - emerges as particularly taxing for frontline staff (Simillidou et al., 2020). Role ambiguity, stemming from fluctuating customer demands and inconsistent managerial expectations, compounds these pressures (Amissah, Blankson-Stiles-Ocran and Mensah 2021). The pandemic amplified these stressors through sudden layoffs, benefit reductions, and persistent health risks, creating what scholars term "crisis-driven turnover (Wong et al., 2021) (Liu et al., 2023) (Birtch et al., 2021).

Turnover intention models provide the second theoretical pillar. Mobley's seminal 1977 framework establishes the progression from job dissatisfaction to turnover intention to actual resignation, while acknowledging the moderating role of alternative employment opportunities. Herzberg's Two-Factor Theory further distinguishes between hygiene factors that prevent dissatisfaction and motivators that foster engagement (Alshmemri et al., 2017). The pandemic era necessitates updates to these models, as health concerns and work-life balance considerations now factor prominently in employee decisions.

The third research stream examines pandemic-induced workforce transformations. Fuller and Kerr's 2022 "4Rs" framework categorizes post-pandemic attrition into Retirement (health-motivated exits), Reconsideration (eroded organizational trust), Reshuffling (pursuit of better opportunities), and Reluctance (disconnect between remote work preferences and frontline realities). This study extends the framework by examining its applicability in high-end Asian hospitality contexts, where cultural norms around employer loyalty and collectivism may buffer against resignation waves despite widespread employee dissatisfaction.

Methodology

The research employed a qualitative design to capture rich, contextualized understanding of employee experiences. Purposive sampling recruited 15 participants from Macau's five-star hotel sector, ensuring representation across job levels and tenure durations. The sample comprised eight current employees and seven who had resigned within the previous six months, enabling comparative analysis of retention factors versus resignation drivers. Participants represented front desk staff (n=4), managerial positions (n=3), and operational roles (n=8), with organizational tenure ranging from 1 to 11 years.

Data collection occurred through semi-structured interviews conducted via Zoom and WeChat throughout 2023. The interview protocol incorporated questions derived from Mobley's turnover model and Herzberg's Two-Factor Theory, organized into three thematic blocks. The first block explored daily stressors and coping mechanisms through questions such as "Can you describe a particularly stressful work situation and how you responded?" The second block examined pandemic impacts with prompts like "How did COVID-19 safety measures affect your work experience?" The third block investigated decision-making processes via questions including "What factors would make you consider leaving your current position?"

Interview transcripts underwent rigorous thematic analysis following Braun and Clarke's six-phase approach (Braun and Clarke, 2012). The process began with repeated listening and transcription to ensure accuracy, coding are then conducted based on the transcript; emerging codes were then grouped into potential themes, which were then reviewed and refined through iterative analysis. Finally, a coherent narrative was developed to explain the relationships between themes. Methodological rigor was ensured through member checking, where participants verified the accuracy of interpreted statements, and peer debriefing sessions with fellow researchers to challenge assumptions.

Findings

Three dominant themes emerged from the analysis, each comprising multiple subthemes that collectively explain turnover dynamics in the post-pandemic hospitality environment. The first and most prevalent theme concerned occupational stress, which permeated all participant accounts without exception. Frontline staff particularly emphasized the compounding effects of understaffing and exacting service standards. A receptionist's statement - "We're routinely doing the work of three people since the layoffs" - typified this pressure. The implementation of stringent Forbes service guidelines emerged as a unique stressor in luxury hotels, with employees describing how these standards "leave no room for error while we're chronically understaffed."

Emotional labor demands constituted a distinct subtheme, with 73% of frontline participants describing the psychological toll of maintaining composure with difficult guests. A concierge recounted: "Guests would berate me for enforcing mask policies, but any reaction beyond polite apology meant disciplinary action." This constant emotional regulation correlated strongly with self-reported burnout symptoms and turnover intentions.

The second major theme involved career stagnation and development concerns. Participants universally expressed frustration with opaque promotion timelines and scarce training opportunities. A front desk clerk's comment - "Two years without advancement despite exceeding targets" - captured this sentiment. Another front-line staff commented – ""I would like to be offered with an advanced management program, so I can have a higher chance to be promoted". Management-track employees particularly emphasized the absence of structured leadership development programs, viewing this as indicative of organizational indifference to career growth.

The pandemic's effects formed the third primary theme, manifesting in two distinct ways. Health anxieties emerged prominently, especially among employees with family responsibilities. A mother working as a room attendant described wearing "double masks despite difficulty breathing" to protect her immunocompromised child. Equally significant was the erosion of organizational trust stemming from crisis-period layoffs. An event planner recalled: "When they terminated longtime colleagues without severance, I realized our loyalty meant nothing."

The progression from turnover intention to actual resignation followed identifiable patterns. All resigned participants had secured alternative employment beforehand, with better compensation being the primary motivator. A luggage porter's explanation - "The 30% pay increase made the decision obvious" - typified this calculus. Financial security enabled some resignations, as with an assistant manager who leveraged savings

to pursue further education. Others described impulsive "YOLO" decisions driven by pandemic-induced reevaluations of life priorities.

Retained employees emphasized environmental and organizational factors that offset turnover intentions. Collegial support emerged as crucial, with a banquet server noting: "My team helps me cope with the worst days." Structured recognition systems, particularly those combining monetary rewards with schedule flexibility, also proved influential. Perhaps most significantly, clear advancement pathways correlated strongly with retention, as exemplified by a bartender who remained after receiving "a written 12-month timeline to assistant manager."

Discussion

The findings substantially advance theoretical understanding of hospitality workforce dynamics in three key respects. First, they validate and extend Mobley's turnover model by quantifying pandemic-specific moderators including health risk perceptions and employer trust erosion. Second, they demonstrate compensation's dual role as both hygiene factor (when inadequate) and motivator (when offered competitively by alternatives). Third, they reveal how environmental supports can mitigate stress effects - a nuance underemphasized in prior hospitality literature but critical for retention strategy development.

Practically, the results challenge hotels to move beyond transactional retention tactics like signing bonuses. Psychological Capital (PsyCap) training emerges as a promising intervention, with Luthans' research demonstrating its efficacy in building stress resilience (Luthans et al., 2007). Transparent promotion timelines addressing the documented career stagnation concerns could significantly improve retention, particularly among high-potential staff. Hybrid recognition systems that combine performance bonuses with non-monetary rewards like schedule autonomy may satisfy diverse employee needs more effectively than traditional one-size-fits-all approaches.

The study's 4Rs framework provides managers with a structured approach to diagnosing turnover drivers in their specific contexts. Retirement factors may necessitate enhanced health protections and phased retirement options. Reconsideration issues call for trust-rebuilding measures like transparent crisis planning. Reshuffling pressures require competitive benchmarking of compensation and benefits. Reluctance challenges may demand creative scheduling solutions where remote work isn't feasible.

Conclusion

This research illuminates the complex interplay of factors driving the hospitality industry's Great Resignation, particularly in high-stress luxury segments. By demonstrating how pandemic disruptions interacted with chronic industry challenges, it provides both a diagnostic framework and targeted intervention strategies. The

findings underscore that retention in the post-pandemic era requires addressing both traditional pain points and emerging employee priorities. Future research should explore cultural variations across Asian markets and evaluate the efficacy of proposed interventions through longitudinal studies. For an industry where human capital directly determines service quality and competitive advantage, these insights offer a timely roadmap for rebuilding a stable, engaged workforce.

Appendix: Interview Questions

1. Can you describe a particularly stressful work situation and how you responded?"

2. How do these work stressors affect your overall well-being and job satisfaction?

3. What new workplace challenges or stressors emerged for you during the pandemic that weren't present before?

4. How did COVID-19 safety measures affect your work experience?

5. Have you seriously considered resigning from your position either during or after the pandemic period?

6. What specific factors would lead you to consider leaving your current role?

7. What types of support, if any, has the company provided to help employees manage pandemic-related stress?

8. What has been the primary reason for you to remain with your current employer?

9. How would you rate your overall job satisfaction currently, and how has this changed since before the pandemic?

10. Given the global increase in resignations, what factors do you believe are contributing to this trend in our industry?

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