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ABSTRACT

The hospitality industry is labor intensive and hence, a major contributor to employment opportunities. Despite the high job opportunities that the hospitality industry has always created, the Covid 19 pandemic brought about negative impacts to most hostels and restaurants in Kenya. This study established the influence of Job redundancy on employee retention in the hospitality industry. The sample in this study comprised employees working in Hospitality Industry that provide comprehensive services, including restaurants and gyms. At the time of this study, there were 22 major hotels in Kenya, of which eight received a total of 400 copies of a questionnaire. The collected data was analyzed using SPSS. The study found that a unit increase in the job redundancy would lead to a decrease in employee retention in the hospitality industry. The study also established that the influence was significant. Based on these findings, the study concluded that there was a negative significant influence of job redundancy on employee retention in the hospitality industry. The management should include the employees in some of the decisions that will affect the workers and their working conditions, and if the organization is having some challenges, it should not be hidden from the employees so that there will be the 'WE' feeling and the employees will be able to work hand in hand with the management to go through the challenges together and ensure better organization performance and also reduce drastically employee turnover.

Key Words: Employee retention, Job redundancy and pandemic

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INTRODUCTION

Covid 19 is the most recent pandemic that has defined people's way of living and most of the economies' outlook worldwide. The virus merged in Wuhan, Hubei, China in late December 2019 and has spread to every world's continent except Antarctica. Authorities in various countries have acted to limit its spread. Similar experiences in dealing with a similar disease has revealed that while the human costs are significant, the bulk of the economic costs are due to the preventive behavior of individuals and the transmission control policies of governments (Brahmbhart & Dutta, 2018). The covid 19 pandemic is not different from the past experiences and has made various countries both locally and internationally to limit its spread through social isolation initiatives such as; limiting working, closing down educational institutions, restricting mobility of individuals and imposing lockdowns. These measures adopted to mitigate the spread of coronavirus have had an adverse effect on both the formal and informal sectors which lead to a reduction in the number of hours worked and consequently to job losses (ILO, 2020).

The informal sector workers have been on the highest risks of losing their jobs. This is because they do not have employment contracts and they therefore do not get the benefits that employed people with contracts normally get. Informal employment is particularly rampant in the rural areas and the agricultural sector. In these sectors, most of the individuals are self-employed, wage workers and major family breadwinners. According to (ILO, 2018), over 90 percent of workers in the agriculture sector are informal in developing countries. In particular, wage workers in the agricultural sector are about 50 percent of the overall agriculture labour force but they remain unnoticed to the policy and decision makers. Therefore, the fact that they remain among the most unfortunate employees employed seasonally or on temporary basis makes them vulnerable to

the economic impacts that have come about as a result of covid 19 pandemic (FAO, 2020c).

The hospitality industry is also one of the countries that has been negatively impacted by Covid-19. It is the hardest hit due to fears of spread to the large community travels and group environments. The news has been featuring the postponement and cancelation of events, conferences, conventions, and sports leagues, which is immediately driving down travel and tourism for business and pleasure (Combs, 2020). As the phrase "social distancing" becomes a household term, many consumers are playing it safe and staying at home, while some are attempting to continue typical day-to-day operations through restrictions. Curfews, and in some cities full lockdowns, have created a precarious business climate for restaurants, bars, cafes and other businesses dependent on guests. These roadblocks are significantly impacting their bottom line. This has led to significant job losses and pay cuts among the employees in the hospitality sector (Combs, 2020).

Globally, the covid 19 has highly had an impact on the hospitality industry together with its workers. Its impact on the hospitality industry is heavier than that of 9/11, SARS, and the financial crisis in 2008. The "stay at home" and "social distancing" government directives by the government have led to partial or even permanent closure of the restaurants in some countries. The restaurants and hotels witnessed numerous cancellation of bookings that led them to seek for bailouts amounting to approx. \$150bn (Eliot, 2020). Additionally, most of the customers have preferred to stay home and eat their own cooked food hence customers became unavailable in most restaurants. Consequently, most of the employees were unable to retain their jobs. Restaurants have laid off both the senior and junior employees as they temporarily shut down their businesses. Multiple hotels in the US, UK and in some European countries announced the temporary suspension of normal operations which puts the estimated loss of jobs to 24.3 million globally, and

3.9 million in the US alone¹³ due to the decline in hotel occupancy during the pandemic period.

In China, due to the nationwide travel restrictions, the hotel occupancy rate in the country fell to 7.4 percent during the first week of February, 2020, based on the preliminary data from a hotel industry report. At the end of March, above 85 percent of the hotels in China were open and the occupancy level reached 31.8 percent (Statista, 2020).

In the United Kingdom, a coronavirus job retention scheme has been adopted so as to help their employees during this coronavirus pandemic. The scheme has introduced the concept of furlough where the employees are put on an unpaid leave from 1st March 2020 although they will be able to return to work on part time basis from 1st July 2020 (PLE, 2020). This scheme however does not change the relationship between the employee and the employer but allows the employer to negotiate with the employee to be put on furlough and then allows the employer to recover a proportion of pay from HMRC in respect of employees on that leave. As of 19 May 2020, 8 million employees had been furloughed and £11.1 billion claimed under the CJRS. This scheme has been of great benefit since it has promoted job retention for employees amidst the coronavirus pandemic (PLE, 2020).

In the USA, the unemployment rate has really risen especially in the Hotel Industry as a result of the coronavirus pandemic. In the past 10 past weeks, the number of people who have lost their jobs have risen to more than 40 million. Many people have continued to fill for unemployment bringing the total number of unemployed to a disastrous rate not seen since the Great Depression.

The number of Americans who have lost their jobs in the past 10 weeks soared to more than 40 million as the number of unemployment claims continued to rise with 2.1 million people filing for unemployment last week. This is an indication that employee retention has not been a priority amidst the covid 19 pandemic since most funds have been lost (Guardian, 2020).

Although Africa was among the last continents to get the coronavirus infection, the African Union has revealed that approximately 20 million jobs are at the risk of being lost as a result of the coronavirus pandemic. African countries are already facing a looming economic crisis especially in the hospitality, oil, aviation and tourism sectors. (AU, 2020) The tourism sector, being an important economic activity for many African nations, it will highly affected due to border closure and movement restrictions by most countries. Air transport's industry economic contribution in Africa is approximately \$ 55.8 billion dollars, supports 6.2 million jobs and contributes 2.6% of GDP. The African airlines that have been affected include; Ethiopian airlines, Egyptian Airlines, Kenya Airways and South African Airways. Most of the employees in the aviation sector have been unable to retain their jobs.

90% of African countries fall under informal employment and about 20 million jobs in both the formal and informal sectors are projected to be lost in Africa if the pandemic goes on. The closure of bars, hotels, restaurants and bars would lead to the disruptions of any informal activities (AUC/OECD, 2019). In South Africa, about 10 associations of the informal sector have pleaded on the government to find a source of income for individuals who cannot work during the lock down period. In morocco, covid 19 has also largely impacted the informal sector and the government has set up mechanisms of supporting the needy households.

Owing to the fact that the informal sector is the largest in Africa, the government of different nations ought to come up with strategies to support its people in surviving through the pandemic (AEO, 2020). Supporting the informal sector, not only will ensure effectiveness of measures to limit the spread of the disease and support household consumption but it will also limit the risk of social unrest. In the medium and long run, African governments should support the formalization of informal sector with emphasis on social protection extension to the sector's workers. In the formal

sector, employees of airlines and companies involved in tourism will be the most affected, in the event of non-support from the African Governments (IATA, 2020).

In Kenya, COVID-19 pandemic has brought the country to a virtual Standstill, the most hit economic sectors being the travel and tourism industry. Airlines have been grounded, hotels have closed, and strict travel restrictions have been imposed by nearly all countries. According to the UNWTO estimates, the pandemic has dealt an unprecedented blow to the travel and tourism sector by drastically reducing international tourist arrivals in the first quarter of 2020 to a mere fraction of what they were in the first quarter of 2019 (Irandu, 2020).

According to Okuro (2020), many hotels in the country have resolved to close down as a result of lockdown, social distancing and stay home initiatives by the government. These initiatives have led to a reduction in the number of guests in the hotel and consequently less profits earned. Consequently, most employees have lost their jobs and some have been sent home on unpaid leaves. Other hotels have gradually opened following the government directive to reopened for sit in and take away services but following the covid-19 management directives by the government to test all the staff providing services, screen all incoming customers and social distancing sitting arrangements in the hotel. On one hand, the gradual reopening has helped the hotel staff to retain their jobs but on the hand, it has not been very helpful to the hotel owners since they have to incur the costs of buying sanitizers and screening devices for its customers (Shah, 2020).

In Kenya's aviation Industry, Kenya Airways has not been left out from the negative impacts of coronavirus. Kenya Airways has estimated a loss of kshs 800 million per month during this pandemic and that this could highly change in the coming days as more restrictions are put in place globally. As a consequence, Kenya Airways put in place measures such as 50% salaries reduction for its employees

and 80% salary reduction for its CEO (Ombati, 2020). Additionally, some non-essential employees have been put on annual leave and 65% of their flights have been cancelled and 50% of the aircrafts put on long-term storage. Kenya airways situation shows how much covid -19 has led to most employees not getting retained due to the financial constraints that have come about.

In the Kenya's governance and security system, the high unemployment among the youth brought about by the cCovid-19 pandemic is a threat to the Kenya's security since most youths who have lost their jobs are likely to fall into traps of militant groups (KNBS, 2020). As a consequence, terrorist attacks, youth radicalization and violent extremist might be on the rise. The most strict measure that the government has put in place to mitigate youth violence is the 7pm to 5am curfew. However, the measure led to several cases of police brutality. On 27th March 2020, police injured a number of people in Mombasa when ensuring that the curfew time is met. On 28th March 2020, a motorbike driver died from injuries inflicted to him by a police officer after he dropped off an expectant woman to a hospital after the curfew hours (Tato, 2020).

Statement of the Problem

According to (KNBS, 2018), the hospitality industry led in job creation by 9 percent which is 1.1 million jobs of the total formal employment. The sector also accounted for 313 million jobs (9.9%) of total employment globally. The hospitality industry is labor intensive and, hence, a major contributor to employment opportunities. The hospitality industry is a multifaceted sector which contributes to major employment opportunities in the following ways; travel and tourism, accommodation and food and beverage. KNBS survey further indicated that 187,000 East African residents stayed at Kenyan game reserves and lodges last year. 176,500 foreign residents also stayed in the country over the same period. This means that more accommodation facilities (resorts, hotels, lodgings, vacation complexes, apartment hotels etc.) are established to meet the rising needs. And as such thousands of

job opportunities are created for many people (KNBS, 2018).

Despite the high job opportunities that the hospitality industry has always created, the covid 19 pandemic has brought about negative impacts to most hostels and restaurants in Kenya. Some hoteliers have started sending staff home as most hotels have remained empty (Wambu, 2020). Kenya Tourism Federation KTF (2020) has reported that some hotels on the Coast have occupancy rates below 10%, necessitating close down and sending staff home on unpaid compulsory leave. The cancellation of travel, business-related travels, the meetings, conferences and exhibitions are expected to have an adverse effect on the hospitality industry as well as the 30-day ban on public gatherings. Some of the big hotels that have had to close down include; Serena Hotels, Weston Hotel, Enashipai resort and spa, Ole-sereni Hotels, DusitD2, Sopa Lodges, White Rhino Hotel and Maiyan (Okuro, 2020). The closing down of these hotels has led to most of them not being able to retain their employees. Serena hotel for instance has sent most of its employees on unpaid leave (Wako, 2020).

FAO (2020c) carried out a study on the impact of covid 19 on informal workers. This study focused on the informal workers in the agriculture sector. The informal workers in the hospitality study were not discussed. This study will therefore focus on the employment status of the hospitality sector. PWC (2020) conducted a survey on the impact of covid 19 on the Irish Hospitality Sector. The study was carried out in a different context and it did not cover the concept of employee retention. This study will cover the employee retention concept in the Kenyan Hospitality Sector.

From these studies, it is evident that most research on covid 19 and the hospitality sector have not been done and for those that have been done was

by corporate authors such as FAO and PWC. These studies also portray the contextual gap and the knowledge gap of impact of covid 19 on employee retention in the hospitality industry which this study will address.

Objective of the Study

The objective of this study was to establish the influence of Job redundancy on employee retention in the hospitality industry

Significance of the Study

This study would contribute to the knowledge of the impacts of covid 19 in the Hospitality Sector. The findings of employee retention amidst the coronavirus pandemic in the Hospitality Industry would expand the literature of employee retention practices in general and especially in Weston Hotel. The study would offer valuable contributions from both a theoretical and practical standpoint where it contributes to the general understanding of employee retention in the Hospitality Industry.

LITERATURE REVIEW

Job Redundancy

According to Cameron (1994, 1998), the way retrenchment is implemented is more important than the fact that it is implemented. He sights out three approaches to retrenchment that are: Workforce reduction strategies - these are basically focused at reducing headcount and are usually implemented in a top-down, speedy way. The problem with the strategy is that it becomes difficult to predict exactly who will be eliminated and who will remain. Work redesign strategies - the strategy aims at reducing work (in addition to or instead of reducing the number of workers) through redesigning tasks, reducing work hours and merging units. Systematic strategies - at greater extent this focuses on changing culture, attitude and values. It does not only focus on reducing the workforce.

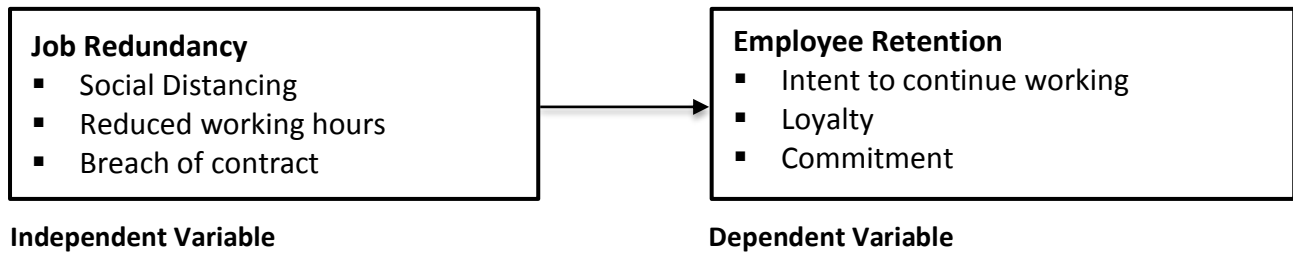


Figure 1: Conceptual Framework

METHODOLOGY

The sample in this study comprised employees working in Hospitality Industry that provide comprehensive services, including restaurants and gyms. At the time of this study, there were 22 major hotels in Kenya, of which eight received a total of 400 copies of a questionnaire. The sample size was determined by comparing the size of the groups. Assuming that each hotel had an average of 500 employees in its food and beverage (F&B) department and that approximately 10,000 F&B employees were thus working in these hotels. The study sample was 370, with a margin of error of 5%. We ensured that the data collected from the respondents would be kept confidential. Because it was impossible to obtain consent from all respondents, self-report convenience sampling was used. We started the survey after explaining the purpose of the study to the respondents and obtaining their voluntary consent to participate. Given the sensitivity of the research topic and to

protect anonymity, each questionnaire was collected in an envelope.

The collected data was analyzed using SPSS. The normal distribution of the measurement items was confirmed, and the CMV (common method variance) was verified by the Harman test and multicollinearity. The validity and reliability of the measurement items were tested by CFA (confirmatory factor analysis) and a reliability analysis. The AVE (average variance extracted), CCR (composite construct reliability), ASV (average shared variance), and MSV (maximum shared variance) were also calculated to confirm validity (Anderson and Gerbing, 1988). A correlation analysis was conducted to confirm whether the directionality of the measurement items was consistent with the hypotheses. Of the 400 distributed questionnaires, 359 (89.7 %) were collected over three weeks and 314—representing a 78.5 % effective response rate—were coded for analysis.

FINDINGS

Table 1: Descriptive Analysis of Job Redundancy

Job redundancy	Mean	SD
Jl ₁ : I am very sure that I will be able to keep my job	4.71	1.50
Jl ₂ : I am certain of my job environment	4.77	1.56
Jl ₃ : I think that I will be able to continue working here	4.78	1.56
Jl ₄ : There is only a small chance that I will become unemployed	4.75	1.54
Jl ₅ : I fear that I might get hire	4.81	1.54
Jl ₆ : I worry about the continuation of my career	4.76	1.55
Jl ₇ : I fear that I might lose my job	4.82	1.56
Jl ₈ : I feel uncertain about the future of my job	4.81	1.63

The mean values of the items under job redundancy ranged from 4.71 to 4.82 on the 7-point scale. Respondents ranked “I fear that I might lose my job” (4.82 ± 1.56) as the highest job redundancy attribute. They indicated that they feel uncertain about the future of my job; they fear that they might get hire; they think that they will be able to

continue working here; they are very sure that they will be able to keep their job. They also explained that they are am certain of their job environment; there is only a small chance that they will become unemployed; they are worried about the continuation of their career and they fear that they might lose their job.

Correlation Analysis

Table 2: Correlation Analysis

		Employee Retention	Job Redundancy
Employee Retention	Pearson Correlation	1	
	Sig. (2-Tailed)		
	N	359	
Job Redundancy	Pearson Correlation	-.811*	1
	Sig. (2-Tailed)	.017	
	N	359	359

The findings in Table 2 showed that job redundancy and organization performance had a strong positive and significant relationship ($r=-0.811$, $p=0.017$). Since the p-value was less than the selected level of significance, the relationship was considered to be significant. These findings suggest that there was negative significant relationship between job redundancy and employee retention.

Influence of Job redundancy on Employee Retention in the Hospitality Industry

Univariate analysis was computed to determine the influence of Job redundancy on employee retention in the hospitality industry.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811 ^a	0.794	0.781	1.258

a. Predictors: (Constant), Job redundancy

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.247	1	1.247	7.470	.019 ^b
	Residual	59.619	357	0.167		
	Total	60.866	358			

a. Dependent Variable: Employee Retention

b. Predictors: (Constant), Job redundancy

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.412	0.412		3.427	0.013
	Job redundancy	-0.319	0.106	-0.811	-3.009	0.004

a. Dependent Variable: Employee Retention

Adjusted R squared is coefficient of determination that shows the variation in the dependent variable due to changes in the independent variable. From the findings, the value of adjusted R squared was 0.781, indicating that there was variation of 78.1% on employee retention in the hospitality industry due job redundancy, at 95 percent confidence interval. R is the correlation coefficient which shows the relationship between the study variables. There was a strong positive relationship between the study variable as shown by 0.811.

From the analysis of variance (ANOVA), the study found out that the regression model was significant at 0.019 which is less than the value of significance (p-value) which is 0.05, thus indicating that the data was ideal for making a conclusion on the population parameters. The calculated value was greater than the critical value ($7.470 > 3.913$), an indication that job redundancy significantly influence employee retention in the hospitality industry. The significance value was less than 0.05 indicating that the model was significant.

The regression equation was:

$$Y = 1.412 - 0.319 X_1$$

From the above regression equation, it was revealed that holding job redundancy to a constant zero, employee retention in the hospitality industry would be 1.412. A unit increase in the job redundancy would lead to a decrease in employee retention in the hospitality industry by 0.319. The p-value obtained (0.0004) was less than the selected level of significance, an indication that the influence was significant. We therefore conclude that job

redundancy has a negative significant influence on employee retention in the hospitality industry.

CONCLUSIONS AND RECOMMENDATIONS

The study found that a unit increase in the job redundancy would lead to a decrease in employee retention in the hospitality industry. The study also established that the influence was significant. Based on these findings, the study concluded that there is a negative significant influence of job redundancy on employee retention in the hospitality industry.

It was recommended that organisation policy makers should become more flexible in policy formulation. Management and employers of labour should not display indifference to those factors that could lead to employee turnover because these would eventually affect the performance of the organisation negatively and paint the organisation bad in the market.

The factors that could influence job redundancy should be noted and properly addressed with the intent of ensuring improved organisation performance and thereby drastically reduce employee turnover. The management should include the employees in some of the decisions that will affect the workers and their working conditions, and if the organisation is having some challenges, it should not be hidden from the employees so that there will be the 'WE' feeling and the employees will be able to work hand in hand with the management to go through the challenges together and ensure better organisation performance and also reduce drastically employee turnover.

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