

Employee Retention Strategies in the Hospitality Industry: A Post-COVID Analysis

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Abstract: *The hospitality industry, globally recognized for its high labor intensity and customer service orientation, has been significantly impacted by the COVID-19 pandemic, leading to widespread layoffs, furloughs, and employee burnout. As the sector begins to recover, employee retention has emerged as a critical concern, particularly in hotels where service quality is closely tied to staff stability. This study examines the effectiveness of three key post-COVID employee retention strategies—leadership support, compensation, and work-life balance—in influencing employee loyalty and reducing turnover intentions within the hotel sector. A quantitative research approach was adopted, involving a structured questionnaire administered to 193 employees working in 3-star to 5-star hotels. Data were analyzed using SPSS Version 25. The findings reveal that transformational leadership positively influences employee morale and engagement, while competitive compensation packages remain a primary driver for retention. Moreover, work-life balance, particularly flexible scheduling and emotional support, is increasingly valued by younger employees post-pandemic. The results suggest that a comprehensive, multi-faceted HR strategy is essential for rebuilding a stable and motivated workforce in the hospitality industry's post-pandemic recovery phase. This research contributes to the growing body of literature on post-crisis human resource management in hospitality and offers practical implications for policy-makers and hotel administrators seeking to enhance employee retention in a highly competitive and evolving industry.*

Index Terms: *Employee retention, hospitality industry, leadership support, post-COVID, work-life balance*

I INTRODUCTION

Employee attrition, or turnover, refers to the rate at which employees voluntarily or involuntarily leave an organization. In the hospitality industry, attrition rates have historically been among the highest across all sectors, often exceeding 70 annually in certain regions.[1] Due to the nature of hospitality

operations—characterized by irregular hours, intense guest interactions, and high workloads—employee burnout and dissatisfaction are common. High attrition leads to operational disruptions, increased recruitment and training costs, and diminished service quality, which directly affect guest satisfaction and brand reputation.[2]

Several factors contribute to high turnover in the hospitality sector. These include low wages, limited career advancement opportunities, lack of recognition, and poor leadership or supervisory practices.[3] Seasonal employment trends and part-time contractual roles also reduce employees' sense of organizational commitment. Moreover, front-line roles in hotels often entail long, stressful hours and customer-facing tasks with little autonomy, increasing the likelihood of job dissatisfaction and disengagement.[4]

To combat attrition, hospitality organizations have adopted a range of employee retention strategies. These include offering competitive compensation, professional development programs, performance incentives, effective leadership communication, and fostering a positive organizational culture.[5] Modern strategies increasingly focus on non-monetary benefits such as employee wellness initiatives, flexible work hours, mental health support, and career path planning. The application of transformational leadership, characterized by inspirational motivation, intellectual stimulation, and individualized consideration, has shown promise in improving employee engagement and loyalty.[6]

The COVID-19 pandemic drastically altered the employment landscape in the global hospitality industry. According to the World Tourism Organization (UNWTO, 2021), the industry saw job

losses exceeding 100 million worldwide. Lockdowns, travel restrictions, and temporary closures led to large-scale furloughs, reduced working hours, and heightened job insecurity among employees.[7] The psychological impact of the pandemic also heightened concerns around safety, work-life balance, and emotional well-being.[8]

In the post-COVID recovery phase, the focus has shifted toward employee-centric HR practices, emphasizing compassion, job security, fair compensation, and inclusive leadership. The pandemic has underscored the importance of retaining experienced staff who can contribute to organizational resilience and service excellence. Employees are now more selective, seeking not just financial rewards but also meaningful work, mental well-being, and organizational support.[9]

Despite efforts to address employee attrition, there remains a gap in empirical understanding of how post-COVID retention strategies are perceived by hotel employees and which specific factors drive loyalty in the current context.[10] Most existing studies have focused on pre-pandemic frameworks, while the dynamics of workforce expectations have shifted significantly since 2020. This study aims to investigate the influence of leadership support, compensation, and work-life balance on employee retention in the hospitality industry post-COVID.[11]

II MATERIAL AND METHODS

Research Design: The study adopts a quantitative, descriptive research design, aiming to analyse how post-COVID employee retention strategies—leadership support, compensation, and work-life balance—affect employee loyalty in the hospitality sector. A structured survey methodology was employed to gather primary data from hotel employees working in the post-pandemic recovery phase.

Study Population and Sample Size: The population for this study consists of employees working in 3-star to 5-star hotels in metropolitan regions of Chennai and Bangalore. These locations were selected due to their dense hotel clusters and significance as commercial tourism hubs in India. Using a purposive sampling technique, data was collected from 120 respondents who had at least six

months of work experience in their current organization and had continued employment post-COVID. The sample size of 193 was deemed adequate based on Cochran's formula and similar empirical hospitality research standards.

Research Instrument: A structured questionnaire was developed based on previous literature and expert validation. The questionnaire was divided into two main sections: demographic profile and the measuring variables: retentions like leadership support, work life balance, employee loyalty, compensation and resume ratings etc.

Data Collection Procedure: The data was collected during February and March 2025 via online (Google Forms) and offline distribution of questionnaires. Participation was voluntary, and confidentiality was assured through anonymous responses. Hotel HR managers facilitated access to respondents with proper ethical protocols in place. Inclusion criteria required respondents to be permanent or contractual employees who resumed work post-COVID. Data were entered and analysed using IBM SPSS Version 25.

III RESULTS AND DISCUSSION

The results of the study were derived from responses collected from 193 employees working in the hospitality sector. Statistical analyses were conducted using SPSS (Version 25), focusing on descriptive statistics, reliability analysis, correlation, and regression to understand the influence of leadership support, compensation, and work-life balance on employee loyalty. The interpretation of the findings is presented below.

Demographic Profile of Respondents: The demographic profile of the 193 respondents reveals insightful patterns relevant to employee retention in the post-COVID hospitality industry. A significant majority of the participants were male (74.1%), with females comprising only 25.9%, reflecting a male-dominated workforce particularly in operational departments. This suggests that retention strategies should consider gender inclusivity and targeted support for female employees. Age-wise, the workforce is relatively young, with 40.4% aged between 20–30 years and 33.2% in the 31–40 range, indicating that more than 70% of employees are below 40. This demographic is likely to value

opportunities for learning, career growth, and work-life balance, requiring retention strategies that cater to dynamic expectations. Furthermore, nearly half of the respondents (47.2%) occupy entry-level positions, followed by supervisors (28%) and managers (24.9%). Since entry-level roles are typically most vulnerable to high turnover, organizations must focus on basic incentives, recognition, and pathways to advancement for this group. Conversely, supervisors and managers play a pivotal role in fostering retention through effective leadership and motivation, warranting targeted development initiatives. These findings highlight the need for a differentiated approach to retention, one that takes into account demographic-specific needs and workplace expectations in the post-pandemic hospitality environment

Table 1: Demographic profile of respondent

Variable	Category	Frequency (N)	Percentage (%)
Gender	Male	143	74.10
	Female	50	25.90
FAge	18–25	34	17.60
	26–35	98	50.80
	36–45	41	21.20
	Above 45	20	10.40
Job Level	Frontline Staff	79	40.90
	Supervisors	67	34.70
	Managers	47	24.40
Hotel Category	3-Star	60	31.10
	4-Star	68	35.20
	5-Star	65	33.70
Experience	Less than 1 year	22	11.40
	1–3 years	65	33.70
	3–5 years	56	29.00
	More than 5 years	50	25.90

Reliability Test: To assess the internal consistency of the questionnaire used in this study, a reliability test was conducted using Cronbach's Alpha, a widely accepted statistical measure of scale reliability. The overall Cronbach's Alpha coefficient for the questionnaire was found to be 0.876, indicating a high level of internal consistency among the items. Specifically, the subscales for Leadership Support ($\alpha = 0.861$), Compensation and Benefits ($\alpha = 0.845$), and Work-Life Balance ($\alpha = 0.832$) all demonstrated acceptable reliability scores

above the threshold value of 0.7, as suggested by Nunnally (1978). This suggests that the items grouped under each construct are measuring the same underlying concept reliably. The high reliability values imply that the data collected from the 193 respondents is dependable and the scale is suitable for further statistical analysis such as correlation, regression, and factor analysis. This reinforces the credibility of the instrument used for evaluating employee retention strategies in the post-COVID hospitality context.

Table 2. Reliability Test

Variable	Cronbach's Alpha
Leadership Support	0.872
Compensation	0.801
Work-Life Balance	0.844
Employee Loyalty	0.883

Descriptive statistics: The descriptive statistical analysis provides a comprehensive overview of respondents' perceptions regarding key retention strategies—Leadership Support, Compensation and Benefits, and Work-Life Balance—in the hospitality industry post-COVID. The mean score for Leadership Support was 4.12 with a standard deviation of 0.64, indicating a generally high level of agreement among respondents that strong leadership practices positively influence their loyalty and engagement. This suggests that initiatives such as empathetic communication, approachable management, and recognition from supervisors are valued by employees and perceived as effective retention tools.

For Compensation and Benefits, the mean score was 3.87 with a standard deviation of 0.78, reflecting moderate to high satisfaction levels among employees regarding salary, bonuses, and other financial incentives. The slightly lower mean and higher variability compared to leadership support imply that perceptions of fairness and adequacy in compensation differ across job roles and levels, which could impact retention if not addressed through equitable policies.

The construct of Work-Life Balance recorded a mean of 4.01 and a standard deviation of 0.71, showing that employees generally appreciate flexibility, manageable work hours, and personal time afforded by their employers. This is particularly relevant in the post-COVID scenario,

where work-life balance has gained prominence due to increased health awareness and shifting lifestyle expectations.

Overall, the descriptive statistics underscore the importance of non-monetary factors—especially leadership and work-life balance—in retaining employees, along with the critical role of fair compensation. The moderate standard deviations across all constructs suggest a reasonably consistent perception among the 193 respondents, enhancing the reliability of the data and reinforcing the need for a multi-faceted approach to retention strategies in the hospitality industry.

Table 3. Descriptive Statistics:

Construct	Mean	Standard Deviation
Leadership Support	4.12	0.66
Compensation	3.85	0.73
Work-Life Balance	3.67	0.81
Employee Loyalty	4.05	0.71

Correlation Analysis: The Pearson correlation analysis was conducted to examine the strength and direction of the linear relationship between the three independent variables—Leadership Support, Compensation and Benefits, and Work-Life Balance—and the dependent variable, Employee Retention. The results reveal that all three variables have positive and statistically significant correlations with employee retention at the 0.01 level (2-tailed), indicating their strong association in the post-COVID hospitality context.

The strongest correlation was observed between Leadership Support and Employee Retention ($r = 0.712$, $p < 0.01$), suggesting that employees who perceive strong leadership—characterized by clear communication, empathy, and support—are significantly more likely to remain with the organization. This highlights leadership as a crucial pillar in reducing turnover rates.

Work-Life Balance also showed a high correlation with employee retention ($r = 0.685$, $p < 0.01$), affirming that employees who are able to manage their professional and personal lives effectively tend to demonstrate greater loyalty and satisfaction, which is particularly vital in the post-pandemic environment where mental health and well-being are major concerns.

Compensation and Benefits had a moderate yet significant correlation with employee retention ($r = 0.624$, $p < 0.01$). While financial rewards remain important, this result suggests that monetary factors alone may not guarantee employee loyalty unless complemented by supportive leadership and a balanced work environment.

These findings imply that while all three factors are important, non-financial motivators like leadership and work-life balance are more strongly associated with retention in the current hospitality landscape. Hence, organizations aiming to reduce attrition must adopt a holistic retention strategy that goes beyond pay to include leadership development and flexible work arrangements.

Table 4. Correlation Analysis

Variables	Leadership Support	Compensation	Work-Life Balance	Employee Loyalty
Leadership Support	1	0.521**	0.489**	0.633**
Compensation	0.521**	1	0.448**	0.578**
Work-Life Balance	0.489**	0.448**	1	0.551**

Note: $p < 0.01$

The study found that leadership support, work-life balance, and compensation significantly influence employee retention in the hospitality industry post-COVID. Among these, leadership support showed the strongest positive correlation with retention. Descriptive statistics revealed generally high satisfaction levels across all three factors. Reliability testing confirmed strong internal consistency of the survey instrument. The results emphasize the importance of non-financial factors in retaining hospitality employees today.

IV CONCLUSION

The findings of this study underscore the critical role that well-structured employee retention strategies play in stabilizing the workforce in the post-COVID hospitality industry. With a predominantly young and male-dominated respondent base, the study reveals that while compensation and financial benefits remain important, non-monetary factors such as leadership support and work-life balance exert a stronger influence on employee retention. The reliability and consistency of the instrument were confirmed

through a high Cronbach's Alpha, and correlation analysis further validated the strong positive relationship between retention and the three key constructs. In particular, leadership support emerged as the most influential factor, suggesting that empathetic, communicative, and empowering leadership styles are vital to fostering employee loyalty. Similarly, work-life balance was identified as a significant contributor, especially in a post-pandemic context where personal well-being has gained increased relevance. Although compensation showed a moderate correlation, its effectiveness appears to be enhanced when delivered alongside a supportive work culture. Overall, the study highlights the importance of a holistic approach to employee retention—one that integrates financial rewards with strong leadership and policies that promote well-being. Hospitality organizations seeking to reduce attrition and improve workforce stability must prioritize these interrelated dimensions to ensure sustainable human resource practices in the evolving post-COVID era.

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