
Labor Shortages in the Hospitality Industry: The Effects of Work-Life Balance, Employee Compensation, Government Issued Unemployment Benefits and Job Insecurity on Employees' Turnover Intentions

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Abstract

The purpose of this quantitative research was to identify the factors causing labor shortages in the hospitality industry in the post-pandemic era. Specifically, it examined the effects of work-life balance, employee compensation, government-issued unemployment benefits, and job insecurity on employees' turnover intentions. The research methodology employed in this study was a quantitative survey, with a sample size of 385 participants from the hotel, restaurant, bar industry, and food service sector. The findings indicated work-life balance, employee compensation, and job insecurity had a significant impact on employees' turnover intentions, as the null hypotheses for these factors were rejected. However, the government-issued unemployment benefits (EDD) did not show any significant impact, indicating further research is needed to gain deeper insights into the potential influence of these benefits. These findings contribute to the understanding of the challenges faced by the hospitality industry in retaining employees and highlight the importance of addressing work-life balance, compensation, and job insecurity to mitigate employee turnover.

Keywords: Labor shortages, hospitality industry, work-life balance, employee compensation, EDD benefits, job insecurity, COVID-19, pandemic, workplace safety, employee retention

Introduction

The impact of the COVID-19 policies on the hospitality industry was devastating, leaving millions of workers unemployed (Jung et al., 2021). Although many countries' economies are on their way to recovery, companies struggle to fill in vacant positions, as they do not get enough applicants (Kwok, 2021). It causes labor shortages in the country, making the labor market extremely competitive with rising wages. According to Lock (2021), the total hospitality jobs in the United States (U.S.) increased to 13.13 million as of December 2020. It is still not close to its pre-pandemic levels of 17 million. Per EDD's industry employment report (2022), accommodation and food services sectors

showed 1.7 million employees as of February 2020, dropping to 985,000 in March 2020. Similarly, the turnover rate in the leisure and hospitality sector alone decreased to 84.5% from 130% of its peak but is still higher than the national average turnover rate of 36.4% (Lock, 2022).

According to Kwok (2021), the unemployment number dropped from its peak at 23 million in May 2020 to 3.12 million in July 2021, as the restrictions were lifted. Kwok (2021) noted that filling the vacant positions has become a major issue; people are simply not applying for jobs, even at higher wages, for instance, if a restaurant was offered \$20 hourly rate for a hostess position in 2019, would have received

hundreds of resumes, currently with \$30 hourly pay for the same position, the same restaurant has received zero applicants. The economic recovery after the pandemic has taken over two years, and even though the majority of the hospitality jobs were filled and the employment of accommodation and food services sectors went up to 1.6 million as of November 2022, companies still struggle with high turnover rates (EDD, 2022). Therefore, it is important to study why those open positions remain unfilled even when there are many jobs available within the hospitality market.

The inability to fill in the vacant positions led to labor shortages, which in turn have negative impacts on the labor market, in the form of increased inflation rates. Many economists define labor shortage in the context of wage adjustment, meaning most labor shortages will disappear if employers increase wages to attract workers (Matemani & Ndunguru, 2019). Blank and Stigler (1957) highlighted when there are labor shortages, salaries will rise, and jobs completed by more skilled workers will then be performed by employees who are less trained and experienced. Labor shortages can occur for many reasons, particularly because of environmental changes and economic disruption. With the COVID-19 mandates, massive layoffs and scale-downs occurred, negatively impacted employees' perceptions of job stability and motivation to work (Jung et al., 2021). Today, the biggest problem is that even when companies try to increase wages and offer sign-on bonuses to be more appealing to the applicants, many are still not willing to accept these offers, leading to inflated wage rates. This leads to the important question, "Why there is a labor shortage?"

Theoretical Concept and Literature Review

Herzberg's two factor theory is employed to help explain the relationship between factors influencing employee's turnover intentions. The theory distinguishes hygiene or extrinsic factors, encompassing work environment, relations conditions, policies, compensation, often linked to dissatisfaction, and motivational or intrinsic factors that include recognition and growth are tied to positive feelings (Chiat & Panatik, 2019). These factors interact differently and require synchronization for enhanced job satisfaction (Alrawahi et al., 2020). Particularly relevant in the

hospitality industry in the post pandemic era, this framework aids in understanding identified factors' impact on turnover intentions and guiding strategies for improved employee satisfaction and performance.

Job Insecurity

Because of COVID-19 policies, occurring on a global scale, there was a significant number of layoffs and people experiencing high levels of physical and psychological risks. Bajrami et al. (2019) asserted factors such as job insecurity, health complaints, and risk-taking behavior significantly affect employee's turnover intentions and work-related attitudes. In the hospitality industry, uncertainty of employment in the hospitality industry can cause an immediate threat to organizational performance and viability (Jung et al., 2021). In modern working environments, economic fluctuations, political elements, and technological changes are not able to guarantee work stability to all employees. Hence, job insecurity may become a significant stressor on employee's job engagement and turnover intentions. Other factors may contribute to labor procurement issues as well.

Work-Life Balance Issues

Lestari and Margaretha (2021) noted that lack of balance between work and personal life causes stress which affects employees' intention to leave the company and leads to high turnover rates. Long working hours create fatigue and stress for employees and negatively affects their performance, motivation, and job engagement (Gandi et al., 2011; Jiandog et al., 2022). The hospitality industry is known for its extensive long work hour culture, in most cases, hotels and restaurants operate 24/7 and 365 days per year, including weekends and public holidays (Talip, et al. 2021). The industry is labor-intensive, where physically being at work is a mandate, and unfortunately, there are few remote work opportunities for the line staff. Per Bali et al. (2021), the hospitality industry is very demanding; the constant pressure, the new innovative trends and constantly changing consumer preferences are becoming too stressful for employees to handle, affecting their behaviors and relationships at home, creating conflicts. Therefore, managing a balance between work and personal life can be challenging and can

affect employees' decisions to quit their jobs. Additionally, living through the crisis of the COVID-19, many people started to reassess the meanings of their lives and prefer more work-life balance, and more flexibility (Kwok, 2021).

Compensation Issues

The hospitality industry has been known for its notorious low-wage systems and low-skill type of jobs (Jolly et al., 2021). The industry has been at a disadvantage in the competitive labor market. According to Molla (2021), even though the pay for non-managers in the hotel sector rose about 13%, compared to the year prior to the pandemic, the average wage is still less than \$17, it is less than the next lowest-paid sector in US economy, retail with \$18.68 per hour. Individuals in the hospitality industry normally work part-time, putting up to 25 hours a week, which gives an average of \$416.08, as opposed to other industries, where average people put in more hours working part-time, hence bigger paychecks. Low compensation could be a major factor, why employees do not want to return to their old hospitality jobs after the pandemic.

Extended Unemployment Benefits

Another possible reason for labor shortage is the boosted unemployment benefits discouraging people from working (Kwok, 2021). Extra money received from the government was much more rewarding than their earned wages; hence, letting people question their willingness to return to work under the same working conditions. Before the pandemic, on average, an hourly employee within the hospitality industry earned approximately \$15, ranging between \$450-\$600 per week (Hoff & Warren, 2022). During the pandemic, the regular unemployment benefits were \$450, additionally California state government distributed \$600 pandemic assistance, with the sum of \$1050 weekly payment (Petrosky-Nadeau, & Valletta, 2021). For months, individuals were paid more than they would normally get without even working, which could possibly discourage the majority of them from looking for jobs and rather remain unemployed. Therefore, the boosted unemployment benefits may be another major reason for individuals' unwillingness to return to work.

Previous studies addressed the importance of job insecurity, the COVID-19 mandates, health complaints and work-life balance on employees'

work-related attitudes, and labor market dynamics (Bajrami et al. 2019; Jung et al. 2021). There have been studies addressing the impact of work-life balance on employees' turnover intentions during the pandemic (Jaharuddin & Zainol, 2019; Lie et al., 2021). However, there is a lack of research on labor shortage causes in the hospitality industry and stressing factors influencing employees' entry in the labor market post-pandemic, despite the country's economic recovery.

Problem Statement: Factors like work-life balance, compensation, job insecurity and unemployment benefits could predict turnover intentions causing labor shortages. This problem poses significant challenges for the hospitality industry; labor shortages result in service quality decline, guest dissatisfaction, cancellations, delays, revenue loss (Hemington, 2007). Financial strain on companies is another consequence driving the need for measures like higher wages, bonuses, perks and improved conditions to fill vacancies. As a customer-centric industry, the hospitality sector's success relies on skilled staff for enhanced customer satisfaction (Holston-Okae, 2018). Hence, essential research is needed to identify post-pandemic labor shortage causes to enhance working conditions and attract the right personnel to the industry's success.

The purpose of the current research is to conduct a survey that will examine the factors causing labor shortages and assess significant effects on employee's willingness to re-enter hospitality labor market in the post pandemic era. The study aims to identify whether work-life balance, employee compensation, government issued unemployment benefits, and job insecurity may be the main predictors of causing labor shortage and affecting employees' turnover intentions.

Research and Methods

Research Methodology

This study aims to measure the significant impact of these four primary factors on employees' willingness to re-enter the hospitality labor market. To measure the effects of these factors and how significant the impact is on employees' turnover intentions, a survey method is best suited to conduct this research.

The study draws hypotheses, which are primarily used in quantitative research. This research proposes a hypothesis to test whether work-life balance, employee compensation, unemployment benefits, and job insecurity significantly impact employees' willingness to re-enter hospitality labor market in the post pandemic era.

Research Questions and Hypotheses

The research questions and hypotheses are as follows:

Research Question 1: To what extent does work-life balance affect hospitality employees' turnover intentions?

Hypothesis 1:

H₁₀: There is no significant impact between work-life balance and hospitality employees' turnover intentions.

H_{1A}: Work-life balance significantly impacts hospitality employees' turnover intentions.

Research Question 2: To what extent does employee compensation impact hospitality employees' turnover intentions?

Hypothesis 2:

H₂₀: There is no significant effect between employee compensation and hospitality employees' turnover intentions.

H_{2A}: Employee compensation significantly affects hospitality employees' turnover intentions.

Research Question 3: To what extent do government issued unemployment benefits affect hospitality employees' turnover intentions?

Hypothesis 3:

H₃₀: There is no significant impact between government issued unemployment benefits and hospitality employees' turnover intentions.

H_{3A}: Government issued unemployment benefits significantly impact hospitality employees' turnover intentions.

Research Question 4: To what extent does job insecurity affect hospitality employees' turnover intentions?

Hypothesis 4:

H₄₀: There is no significant effect between job insecurity and hospitality employees' turnover intentions.

H_{4A}: Job insecurity significantly impacts hospitality employees' turnover intentions.

Research Design

Quantitative methods, particularly surveys, are ideal for assessing relationships between different variables (Daniel, 2016). A survey instrument was selected for this research as it offers specific insights from a large sample, facilitating objective analysis of data. This study employed a non-experimental correlational design, gauging relationships between multiple variables. SurveyMonkey was used for data collection due to its accessibility to a broader population.

The survey, comprising four sections with 25 questions, aligned well with the variables and hypotheses. Demographic questions on participants' age, gender, marital status, and income were asked to help interpret the results. *The questions regarding unemployment benefits are also part of the demographic questions to determine the right population for this research.*

The survey instruments include various scales to measure these variables: multidimensional work-family conflict, employee compensation, job insecurity and turnover measurement, which are validated in different studies, and are based on 5-point Likert scale system from 'strongly agree to strongly disagree.'

The study's population refers to the number of employees working in the accommodation and food services sectors, but whose jobs were impacted by the COVID-19 mandates, accounting for 1,641,100 in November 2022 according to EDD California reports (2022). For maximum validity, a sample of 385 participants is determined using the sample size formula with a 5% margin of error, 95% confidence and 50% population proportion. Multiple sampling methods, like random and convenience sampling were employed to ensure unbiased representation of the entire hospitality workforce.

Research Limitations

The sample size of the research is only 385 individuals who may not represent the entire

hospitality industry, as it is limited to only hotels, restaurants, bars, and food services sectors. The study is limited to California state only. Additionally, there is a time gap between the data collection that has been done in 2023 and the individuals who received the unemployment benefits in 2020, making it difficult to accurately measure the impact of unemployment benefits on employees' willingness to work. The survey's design may not fully capture unemployment benefits' significance on turnover intentions during the pandemic. It studies only four factors, potentially overlooking others. Response bias is a big concern, as participants' perspectives on COVID-19 may be different and studied factors may lead to biased answers.

Results

A total number of 394 responses were collected, however, nine of them were disqualified to continue the survey as they answered no to the screening question whether they worked in the hospitality and/or restaurant/bar industry before March 2020, which means they do not represent the population of this research. Hence, a total number of 385 responses were used to analyze the data.

To detect any missing values, examination of data occurred by both visual inspection and frequency analysis. Based on the observation, a few cases had less than 4% missing values. The most detected were 5% among the questions: I feel insecure about my future job; in the near future I think I may lose my job; I often think of leaving the organization; it is very possible that I will look for a new job next year. These missing values were replaced by mode, which is the most common value or most frequent value of the entire column (Mertler, & Vannatta, 2016). In the context of this study, which utilizes a categorical/ordinal dataset, certain outliers were observed during the pre-processing stage, specifically those associated with discrete numeric variables. Such variables included age, income level and the duration of receiving unemployment benefits. These outliers were analyzed as part of the pre-processing stage to assess validity and discovered there was no major deviation from the pattern, hence there was no potential impact on subsequent analyses.

According to the survey results, out of 385 participants, 355 reported their employment was impacted by COVID-19 policies, while 30 experienced no impact. Around 66% quit or were furloughed, 71% of furloughed individuals returned to their old jobs, 29% were not asked to return. Overall, 324 employees returned to the hospitality industry, but not necessarily to their old jobs. As part of the demographics, out of 385 employees, approximately 213 respondents were female, and 172 were male. The majority of the participants (37.9%) belonged to the 25-34 age group, and 25.2% belonged to the 35-44 and 45-54 age group. Among these respondents, the majority were Hispanic (120 people) and white/Caucasians (146). Additionally, the largest group of people (33.8%) reported being married and 32.2% were single.

Hypothesis 1. Work-Life Balance on Employee's Turnover Intentions.

A multidimensional work-family conflict scale was used in the research to measure employees' work-life balance. The 5-point Likert-scale categorical variables were given numerical values to be able to run statistical tests and were encoded in SPSS, as follows: 1 = neutral; 2 = strongly disagree; 3 = disagree; 4 = agree; 5 = strongly agree. Composite scoring was used to reduce the complexity of the data and allow better interpretation and more meaningful measurement of variables. The composite score of the 9-item work-family conflict scale was calculated by adding up the participants ratings on each item and divided by nine. To test hypothesis one, the same method applied to employee turnover intention variables, where the mean score of all the ratings was divided by three.

One-Way ANOVA

One-way ANOVA is a statistical technique used to compare the means of three or more groups. It examines whether there are statistically significant differences between the means of the groups (Kim, 2017). It also allows the understanding of the relationship between one independent variable and dependent variable.

Table 1
Hypothesis 1- One-Way ANOVA

ANOVA
Turnover Intentions

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 26.466 | 25 | 1.059 | 1.948 | .005 |
| Within Groups | 195.057 | 359 | .543 | | |
| Total | 221.523 | 384 | | | |

ANOVA Effect Sizes^{a,b}

| Turnover Intentions | | Point Estimate | 95% Confidence Interval | |
|---------------------|-----------------------------|----------------|-------------------------|-------|
| | | | Lower | Upper |
| Turnover Intentions | Eta-squared | .119 | .011 | .123 |
| | Epsilon-squared | .058 | -.058 | .062 |
| | Omega-squared Fixed-effect | .058 | -.057 | .061 |
| | Omega-squared Random-effect | .002 | -.002 | .003 |

- a. Eta-squared and Epsilon-squared are estimated based on the fixed-effect model.
b. Negative but less biased estimates are retained, not rounded to zero.

The ANOVA table provides information about the significance of differences in means of Turnover Intentions between groups. It appears that there is a statistically significant difference between the groups, with an F-value of 1.948 and a p-value of .005. It suggests the H_0 can be rejected, and the alternative hypothesis is accepted that work-life balance has a significant impact on employees' turnover intentions.

measure employee compensation, which is a 10-item instrument also based on 5-point Likert scale from 'strongly agree' to 'strongly disagree'. 'The composite scoring was applied as well to enable statistical analysis.

To answer research question two: 'to what extent employee compensation affects hospitality employees' turnover intentions', the same statistical test, such as one-way ANOVA, was used to test hypothesis 2.

Hypothesis 2: Employee Compensation

A compensation scale developed by Twalib and Magutu (2017) was used in this research to

One-Way ANOVA

Table 2
Hypothesis 2 - One-Way ANOVA

ANOVA
Turnover Intentions

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 25.858 | 25 | 1.034 | 1.898 | .006 |
| Within Groups | 195.665 | 359 | .545 | | |
| Total | 221.523 | 384 | | | |

ANOVA Effect Sizes^{a,b}

| Turnover Intentions | | Point Estimate | 95% Confidence Interval | |
|---------------------|-----------------------------|----------------|-------------------------|-------|
| | | | Lower | Upper |
| Turnover Intentions | Eta-squared | .117 | .009 | .119 |
| | Epsilon-squared | .055 | -.060 | .058 |
| | Omega-squared Fixed-effect | .055 | -.060 | .058 |
| | Omega-squared Random-effect | .002 | -.002 | .002 |

- a. Eta-squared and Epsilon-squared are estimated based on the fixed-effect model.
b. Negative but less biased estimates are retained, not rounded to zero.

The ANOVA table shows that the sum of squares between groups is 25.858, the degrees of freedom (df) are 25, and the mean square is 1.034. The F-statistic is 1.898, and the p-value or significance level is 0.006.

The F-statistic tests the null hypothesis that there is no difference in the means of the groups. The low p-value of 0.006 indicates that there is a statistically significant difference between the means of the groups. Overall, the results of the ANOVA test suggest that employee compensation is a significant predictor of Turnover Intentions, which means that the null hypothesis can be rejected.

Hypothesis 3: Unemployment Benefits (EDD) on Employees' Turnover Intentions.

To examine the potential impact of government-issued unemployment benefits (EDD) on employees' intentions to leave their

jobs, the research study included a series of demographic questions to gather information from participants regarding their receipt of unemployment benefits during the COVID-19 pandemic. Closed-ended questions with yes or no answers were asked respondents whether they have received unemployment benefits or not. The categorical data were given numerical values and encoded into SPSS such as 1 = no; 2 = yes, to enable statistical analysis.

Sample T-Test

To identify any potential correlations between receipt of benefits and employees' intentions to leave their jobs, a sample-test was used to analyze the data. A sample t-test is a statistical test used to compare the means of two independent groups and determine whether there is a statistically significant difference between the means of two groups (Skaik, 2015).

Table 3
Hypothesis 3 - Sample T-test

Group Statistics

| | Did you receive unemployment benefits during the COVID 19 pandemic | N | Mean | Std. Deviation | Std. Error Mean |
|---------------------|--|-----|--------|----------------|-----------------|
| Turnover Intentions | 1 | 74 | 3.2252 | .78049 | .09073 |
| | 2 | 311 | 3.2433 | .75570 | .04285 |

Independent Samples Test

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | | |
|---------------------|-----------------------------|---|------|------------------------------|---------|--------------------------|--------------------------|-----------------|-----------------------|---|--------|
| | | F | Sig. | t | df | Significance One-Sided p | Significance Two-Sided p | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | | Lower | Upper |
| Turnover Intentions | Equal variances assumed | .043 | .836 | -.184 | 383 | .427 | .854 | -.01808 | .09836 | -.21147 | .17532 |
| | Equal variances not assumed | | | -.180 | 107.936 | .429 | .857 | -.01808 | .10034 | -.21697 | .18082 |

Table 3 shows the results of an independent samples t-test to compare the mean values of the Turnover Intentions variable between two groups: those who received unemployment benefits

during the COVID-19 pandemic (group 1) and those who did not receive benefits (group 2).

The output shows that the mean values of the two groups are very similar, with group one

having a mean of 3.2252 and group two having a mean of 3.2433. The t-test results indicate that there is no statistically significant difference in the mean values of the two groups, as the p-value (Two-Sided p) is greater than the typical alpha level of 0.05.

The effect size estimates (Cohen's d, Hedges' correction, and Glass's delta) suggest that the difference between the means is small, with effect size estimates ranging from -0.277 to 0.230. Overall, these results suggest that receiving unemployment benefits during the COVID-19 policies may not have a significant impact on employees' turnover intentions.

Spearman's Correlation Coefficient

As the Sample T-test did not show significant results, additional tests were run to see if there was any other correlation between unemployment benefits and employees' turnover intentions.

The initial assumption was that the annual income may affect employees' perspectives in

regard to unemployment benefits and their willingness to return to work, indicating that since the hospitality industry is a low-income industry, that the majority of respondents fall into 25,000-75,000 income range, while the average income in California is \$63,000 according to EDD employment reports (2022). It assumed that people may have been more satisfied with the additional income received from the government while not working compared to their own income while they were working. Therefore, besides sample T-test, it was important to conduct additional test to understand if there is any correlation between these variables.

Spearman's correlation coefficient was used to test the strength and direction of association between ranked variables. According to Skaik (2015), it is a non-parametric measure of the monotonic relationship between ordinal or ranked data and more appropriate to use when measuring the impact of annual income on turnover intentions in regard to receiving unemployment benefits.

Table 4
Hypothesis 3: Spearman's Correlation

| | | Correlations | | | | | | |
|--|-----------------------------|-----------------------------|---|---|---|---|--|-------|
| | | What is your annual income? | Did you receive unemployment benefits during the COVID-19 pandemic? | How long did you receive unemployment benefits? | Do you think of leaving the organization? | Is it very possible that you will look for a new job next year? | If you could choose again, would you choose to work for the current? | |
| Spearman's rho | What is your annual income? | Correlation Coefficient | 1.000 | -.079 | -.011 | -.060 | -.065 | .039 |
| | | Sig. (2-tailed) | . | .122 | .827 | .237 | .200 | .443 |
| | | N | 385 | 385 | 385 | 385 | 385 | 385 |
| Did you receive unemployment benefits during the COVID-19 pandemic? | | Correlation Coefficient | -.079 | 1.000 | .024 | .082 | .003 | -.045 |
| | | Sig. (2-tailed) | .122 | . | .633 | .109 | .961 | .380 |
| | | N | 385 | 385 | 385 | 385 | 385 | 385 |
| How long did you receive unemployment benefits? | | Correlation Coefficient | -.011 | .024 | 1.000 | .001 | .044 | .023 |
| | | Sig. (2-tailed) | .827 | .633 | . | .984 | .387 | .657 |
| | | N | 385 | 385 | 385 | 385 | 385 | 385 |
| Do you think of leaving the organization? | | Correlation Coefficient | -.060 | .082 | .001 | 1.000 | .183** | -.049 |
| | | Sig. (2-tailed) | .237 | .109 | .984 | . | <.001 | .337 |
| | | N | 385 | 385 | 385 | 385 | 385 | 385 |
| Is it very possible that you will look for a new job next year? | | Correlation Coefficient | -.065 | .003 | .044 | .183** | 1.000 | -.012 |
| | | Sig. (2-tailed) | .200 | .961 | .387 | <.001 | . | .814 |
| | | N | 385 | 385 | 385 | 385 | 385 | 385 |
| If you could choose again, would you choose to work for the current? | | Correlation Coefficient | .039 | -.045 | .023 | -.049 | -.012 | 1.000 |
| | | Sig. (2-tailed) | .443 | .380 | .657 | .337 | .814 | . |
| | | N | 385 | 385 | 385 | 385 | 385 | 385 |

** Correlation is significant at the 0.01 level (2-tailed).

Spearman's correlation table shows there is very weak negative correlation (-0.079) between

annual income and unemployment benefits, suggesting this correlation is not statistically

significant ($p > 0.05$), and there is no strong evidence of a relationship between annual income and receiving unemployment benefits. Similarly, there is weak negative correlation (-0.011) between duration of unemployment benefits and annual income, suggesting there is no strong evidence of this correlation being statistically significant ($p > 0.05$). There is a weak positive correlation (0.024) between annual income and duration of unemployment benefits, suggesting this correlation is also not statistically significant ($p > 0.05$), indicating there is no evidence of a relationship between receiving unemployment benefits and the duration of those benefits.

Overall, the results of the Spearman's correlation coefficient test indicate that there is insufficient evidence to support the existence of a strong relationship between annual income and receiving unemployment benefits, as well as any

discernible impact on employees' turnover intentions.

Hypothesis 4: Job insecurity on Employees' Turnover Intentions

The job insecurity scale developed by Witte (1999), was used in this research to measure its impact on employees' turnover intentions. The categorical variables were given the same numerical values, from 1 = neutral, 2 = strongly disagree to 5 = strongly agree. Similar to work-life balance and employee compensation variables, the composite score of job insecurity was also calculated by adding up the mean ratings of all the participants and divided by three.

One -Way ANOVA

One-way ANOVA was used to analyze the impact of job insecurity on employees' turnover intentions.

Table 5

Hypothesis 4 - One-Way ANOVA

ANOVA

Turnover Intentions

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 14.082 | 12 | 1.173 | 2.104 | .016 |
| Within Groups | 207.441 | 372 | .558 | | |
| Total | 221.523 | 384 | | | |

ANOVA Effect Sizes^{a,b}

| | | Point Estimate | 95% Confidence Interval | |
|---------------------|-----------------------------|----------------|-------------------------|-------|
| | | | Lower | Upper |
| Turnover Intentions | Eta-squared | .064 | .002 | .086 |
| | Epsilon-squared | .033 | -.030 | .056 |
| | Omega-squared Fixed-effect | .033 | -.030 | .056 |
| | Omega-squared Random-effect | .003 | -.002 | .005 |

a. Eta-squared and Epsilon-squared are estimated based on the fixed-effect model.

b. Negative but less biased estimates are retained, not rounded to zero.

The ANOVA table illustrates there is a significant effect of job insecurity on turnover intentions. Specifically, the between-groups variation, which represents the differences in turnover intentions between the different levels of job insecurity, was found to be significant ($p = .016$).

The effect sizes estimated from the ANOVA analysis provide additional information about the

magnitude of the relationship between job insecurity and turnover intentions. Eta-squared, representing the proportion of variance in turnover intentions explained by job insecurity, was found to be .064. This means that 6.4% of the variation in turnover intentions can be attributed to job insecurity.

In summary, the one-way ANOVA test indicates that job insecurity has a significant

effect on turnover intentions, which suggests that the null hypothesis can be rejected.

Discussions/Implications

The findings of ANOVA revealed that work-life balance, employee compensation and job insecurity have significant impact on employee's turnover intentions, with enough evidence (p-value was less than 0.05) to reject the null hypothesis and accept the alternative hypothesis. However, government issued unemployment benefits did not show such results. T-test and Spearman's correlation results revealed no significant impact on employee's turnover intentions, suggesting that the null hypothesis cannot be rejected.

Work-Life Balance

The study revealed that with enough evidence from ANOVA (p-value being less than 0.05), the null hypothesis is rejected, indicating that work-life balance is a significant predictor of employees' turnover intentions. Similar results were found in Lestari and Margaretha (2020) and Fayyazi and Aslani (2015) studies that confirmed this statement that WLB has indeed, negative influence on employees' turnover intentions. These findings were consistent with Andrade et al. (2021); Liu et al. (2021) and (Vernekar & Heidari, 2019) particularly within the hospitality industry, that identified work-life conflict, working hours, low pay and low skill educational mismatch were key determinants affecting employees' job satisfaction and turnover intentions.

Employee Compensation

The study revealed employee compensation is also a significant predictor of employees' turnover intentions. The findings are consistent with previous studies (Das & Baruah, 2013); (Moncraz et al. 2009), that employee compensation is one of the most significant factors contributing to employees' decisions to quit their jobs. Besides monetary compensation, such as salaries and wages, career promotions,

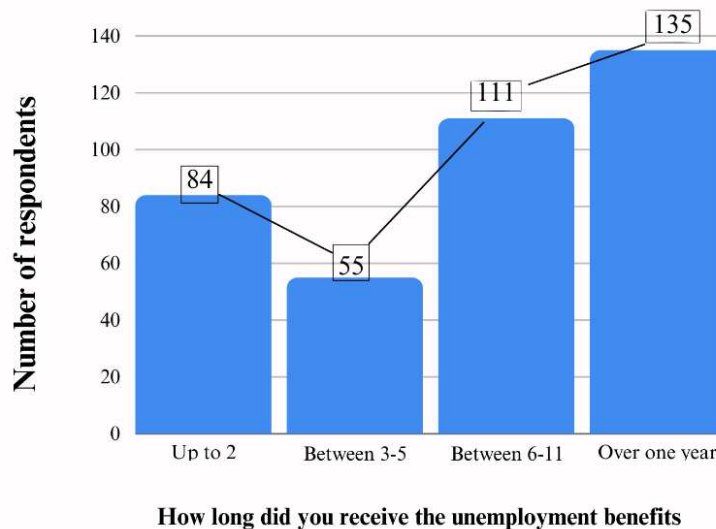
and job satisfaction, work environment rewards and recognition were also the leading factors that affected employee turnover (Milka et al., 2017). Empirical evidence confirmed hospitality employees' base earnings are not competitive compared to the other sectors of the economy (Jolly et al., 2021). This statement is in line with the research findings, especially when the respondents agreed that current compensation is not fair, and they are not satisfied with other incentives and benefits provided by their companies.

Unemployment Benefits

The sample T-test that was run to test the hypothesis: whether government issued unemployment benefits are significant predictors of employees' turnover intentions. As p-value was 0.836, there is no significant evidence to reject the null hypothesis, which indicates that the unemployment benefits do not have significant impact on employees' willingness to work. The results were consistent with Petrosky-Nadeau (2020), *who stated the value of a job, especially in a depressed labor market significantly outweighs the value of the temporary additional UI income. The findings were aligned with Altonji et al., (2020); Finamor and Scott's (2020) and Ganong et al.'s (2020), who found there is no evidence that more generous benefits disincentivize employees from returning to work.*

Even though Sample t-test and spearman's correlation test did not find any correlation between unemployment benefits and turnover intentions, there is still not enough evidence to say unemployment benefits did not affect employees' decisions to return to work, as the figure below shows that the majority of the respondents continued to receive unemployment benefits for over a year (see figure 1). It indicates that individuals were not returning to work as long as they were receiving unemployment benefits, because the main requirement of receiving unemployment benefits was to be unemployed.

Figure 1
Duration of unemployment benefits



Overall, it suggests that the availability of unemployment benefits might have influenced employees' decisions to delay their return to work. Therefore, further research is needed to gain a more conclusive understanding of the actual impact between unemployment benefits and employees' willingness to return to work in the post pandemic era.

Job Insecurity

Based on the ANOVA and symmetric measures results, the study found there to be enough evidence to reject the null hypothesis and accept the alternative hypothesis, indicating that job insecurity has significant impact on employees' turnover intentions. The findings were consistent with Jung et al. (2020); Elshaer and Azazz (2020); Chen et al. (2022), who confirmed when employees feel insecure about their jobs, it stimulates a new search for new job opportunities and increases the possibilities of turnover. Particularly, during the COVID-19 pandemic, the situation became aggravated, and employees' perceptions of job insecurity have increased because of organizational restructuring and scale-downs. This is true, as the majority of the participants whose employment status was affected by the state policies, responded 'agree' to the questions pertaining to job insecurity, such as: 'I feel insecure about my job' or 'in the near future, I think I may lose my job.'

Implications to Professional Practice

The research provided valuable insights concerning how the labor market is influenced by work-life balance, employee compensation and job insecurity in the post pandemic era. Even though the research did not find enough evidence to state the potential impact of unemployment benefits on employees' turnover intentions, however, there is an assumption that the availability of these factors may have delayed people from returning to work. Therefore, there are some practical implications that could be done among EDD professionals and employers to assist hospitality employees' transitions return to work from unemployment benefits. Employers and EDD professionals should monitor and evaluate the effectiveness of unemployment benefit programs during the pandemic and identify areas for improvement and make necessary adjustments. Additionally, EDD professionals can work closely with hospitality companies to offer targeted skill development programs that could align with the needs of the job market and help with the job placement services.

Recommendations for Future Research

Considering the 2023 data collection and 2020 benefit distribution gap, accurately assessing unemployment benefits' impact on employee's willingness to work was challenging. A longitudinal study is suggested to explore the

impact across pre, during and post-pandemic periods to enhance the understanding of the actual impact of these benefits on employees' behavior over time. The survey's limitations also hindered comprehending unemployment benefits' importance for work-related attitudes. Thus, a mixed-method approach is recommended for future studies, incorporating qualitative data to gain deeper insights into employees' perspectives of unemployment benefit's impact.

Conclusion

The study revealed important insights about the effects of work-life balance, employee compensation and job insecurity on the labor market in the post pandemic era. It provided enough evidence to affirm that work-life balance, job insecurity and employee compensation were the main stressors on employees' turnover intentions in the hospitality industry. These findings suggest that the hospitality companies need to address the underlying issues that causes labor shortages, and find ways to alleviate their working conditions, create better work environments with more flexibility and improved compensation systems to be able to retrain and attract new talented workers. The results provide valuable insights into these organizations and allow them to be more proactive with their hiring strategies.

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