

# Pandemic layoffs pushed hospitality workers to leave industry

July 15 2021

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The psychological toll of losing a job due to COVID-19 caused many young hotel and restaurant workers to consider changing careers, according to a Washington State University study.

In the study, the laid-off and fully furloughed hospitality employees reported being financially strained, depressed, socially isolated and panic stricken over the pandemic's effects, leading to increased intention to leave the industry all together. The intention to leave was particularly strong among women and [younger workers](#).

"It's a warning sign for my industry that the younger generation was really hit hard," said Chun-Chu Chen, an assistant professor in WSU's School of Hospitality Business Management and lead author on the study in the *International Journal of Contemporary Hospitality Management*. "We've already witnessed that as the hospitality business is recovering and trying to hire more people, they cannot find the workers they want. There are many factors for that, but one may be that because of the pandemic, people think that hospitality is no longer an industry they want to work for."

Chen added that previous research has indicated that younger workers may not have as strong of a career identity as more experienced employees, making it easier for them to change careers.

Unemployment in the hospitality industry reached 37.3% in April 2020 after many lockdown measures were put in place, according to U.S.

Labor Statistics. Chen heard about the impact directly from his own hospitality students who had lost jobs and decided to find out more about how other lodging and food service employees were faring during the pandemic.

For this study, Chen and coauthor WSU Professor Ming Hsiang Chen surveyed more than 600 laid-off and fully furloughed hospitality workers in June 2020. While all the workers in the study had no income at the time, furloughed workers reported somewhat less distress than those who were laid-off, a difference the authors said employers should note for the future.

"Being furloughed is not good, but it's a little bit better than being laid-off," said Chen. "One possible explanation is that if you are furloughed, you are technically still part of the organization, so you still have a sense of community, of belonging."

That feeling of being connected is important in a profession that tends to attract people who are very social, Chen said. In fact, the researchers found that social isolation was the most important factor predicting wellbeing for these workers. But it was financial strain and the perceived impact of the pandemic that predicted whether the workers were considering a career change.

The researchers found one protecting factor for unemployed or furloughed workers' wellbeing: self-efficacy, or the belief that they had [personal control](#) over their own circumstances.

However, when it came to some of Chen's unemployed hospitality students, that sense of personal control may have meant they decided to move on.

"I've seen some of my students actually looking for really good jobs in

other service industries," said Chen. "I have mixed feelings about their decisions. Our students are well-equipped to thrive in most positions in the service sector. However, as much more opportunities are available right now, I would encourage them to stay in the hospitality industry."

**More information:** Chun-Chu (Bamboo) Chen et al, Well-being and career change intention: COVID-19's impact on unemployed and furloughed hospitality workers, *International Journal of Contemporary Hospitality Management* (2021). [DOI: 10.1108/IJCHM-07-2020-0759](https://doi.org/10.1108/IJCHM-07-2020-0759)

Provided by Washington State University

Citation: Pandemic layoffs pushed hospitality workers to leave industry (2021, July 15) retrieved 2 May 2024 from <https://phys.org/news/2021-07-pandemic-layoffs-hospitality-workers-industry.html>

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