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COVID-19: The effects of job insecurity on the job engagement and turnover intent of deluxe hotel employees and the moderating role of generational characteristics

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ABSTRACT

COVID-19 has caused an unprecedented crisis in all industries around the world. This study sought to verify that job insecurity, as perceived by deluxe hotel employees, significantly affects their job engagement and turnover intent and to determine the moderating effect of generational characteristics. The finding showed that perceptions of job insecurity had negative effects on the engagement of deluxe hotel employees. Also, employees’ job engagement can decrease turnover intent. The engagement of employees fully mediated the relationship between perceptions of job insecurity and turnover intent, and job insecurity caused by COVID-19 had a greater influence on Generation Y than Generation X in reducing job engagement, indicating that the negative impact of job insecurity is higher in Generation Y.

1. Introduction

COVID-19 has caused an unprecedented crisis in all industries around the world. Tourism, lodging, and travel businesses, markedly sensitive to serious shocks such as the prevalence of epidemics, are suffering a sharp drop in demand (Chang et al., 2020). The hotel industry in particular has experienced dramatic sales losses as occupancy rates have largely dropped due to social distancing and the drastic decline in the number of tourists (Sobieralski, 2020). The hotel industry experienced an employment shock earlier than other industries, with a sharp drop in the number of employees and a dramatic rise in the number on temporary leave. In the case of South Korea, the entrance of foreigners into the country was restricted in response to COVID-19, and demand for domestic travel also decreased significantly, causing a serious management crisis in hotels. Uncertainty of employment in these industries, which has been increased by the virus, therefore poses an immediate threat to organizational performance and viability—an unprecedented situation that requires the hospitality industry to seek a variety of solutions (Carnevale and Hatak, 2020). In this context, investigating job insecurity, as perceived by deluxe hotel employees, and its negative effects may be significant in determining how industries can recover and how rapidly changing industries can be sustained in the future.

It is obvious that, even before COVID-19, modern working environments faced uncertainty due to technological changes, economic fluctuations, and political insecurity, thus unable to guarantee employment stability to all employees (Etehadi and Karatepe, 2019). Organizational restructuring and scale-downs have increased employees’ perceptions of job insecurity—the subjective and unconscious perception of job loss (Niesen et al., 2018)—but COVID-19 has aggravated this situation. Job insecurity can spread among employees for two specific reasons (Mauno et al., 2014); First, changes in an organization caused by quantitative job insecurity, such as layoffs, downsizing, and mergers, affect certain groups within the organization, inducing their perceptions of job insecurity, and, Second, certain threats or stressors can be interpreted similarly or collectively by employees of different work units. However, what is most important is that job insecurity acts as a significant stressor for employees (Jordan et al., 2002; Gaunt and Benjamin, 2007) and has a negative relationship with factors associated with job attitudes and the psychological health of employees (Laszlo et al., 2010; De Witte et al., 2015; Tian et al., 2014). Given that job insecurity is a risk factor that induces employees to engage in harmful behaviors through negative effects.
psychological responses (Chirumbolo, 2015), this study sought to empirically investigate the effects of job insecurity during the COVID-19 pandemic.

Also, deluxe hotel employees play an essential role in creating positive customer experiences—a key factor in customer satisfaction and service quality evaluation (Ayse and Alexander, 2018), but they are likely to change jobs in the face of heavy workloads and frequent environmental changes (Kim et al., 2015). This turnover frequently occurs when their motivation is decreased by anxiety as a result of their jobs (Akgunduz and Eryilmaz, 2018). Since it seems impossible for employees to perform their work without anxiety over their employment conditions during the current pandemic, it may be fruitful to determine the effects of job insecurity based on the responses and behaviors of employees and to identify how they can be alleviated. Despite its importance, such research has been scarce.

Common values and opinions are formed among those who compose each generation (Ryder, 1965), which is a tendency that requires organizations that manage employees of various generations to understand the varying behavioral characteristics caused by generational gaps (Kong et al., 2015). Currently, most of the deluxe hotel industry’s workforce in Korea consists of Generations X and Y (Eyoun et al., 2020), and, therefore, understanding the characteristics of these two generations may enhance productivity and morale as well as employee retention (Gursoy et al., 2008). In this context, this study was based on the assumption that job engagement and turnover intent can vary depending on the perceptions of job insecurity, assuming that the causal relationship is different between employees of different generations. Therefore, this study intended to verify that job insecurity, as perceived by deluxe hotel employees, significantly affects their job engagement and turnover intent with the aim of moderating effect of generational characteristics (Fig. 1).

2. Literature review and conceptual model

2.1. Relationship between job insecurity and job engagement

Job security can be defined as an employee’s fear of losing their job and being unemployed (De Witte, 1999). Job insecurity is an important factor that impairs the psychological health of employees (Nella et al., 2015; Inoue et al., 2018) and reduces motivation (Unsar, 2011). Job engagement can be defined as a positive and fulfilling state that is characterized by the vigor, and absorption of employees (Schaufeli et al., 2002). In general, high job engagement means having a positive mental state on the job, and employees with high job engagement can be a particularly important variable in performance, because they improve organizational effectiveness, create more productive work environments, and reduce employee turnover (Caplan and Whittetmore, 2013).

As for job security and job engagement, Greenhalgh and Rosenblatt (1984) reported that employees with higher job insecurity were likely to have reduced engagement and to make less effort to achieve organizational goals because they spend less time and energy on their jobs, and Lo Presti and Nonnis (2012) suggested that higher perceived job insecurity decreases emotional commitment and makes it inconsistent. Similarly, according to Wang et al. (2015), job insecurity is considerably and negatively associated with job performance and has a negative relationship with job engagement. and Asfaw and Chang (2019) also argued that perceived job insecurity is directly related to a decreased job engagement. Karatepe et al. (2020) said that job insecurity directly hinders employees’ engagement, and Shin and Hur (2020) concordantly found that job insecurity depletes the physical, psychological, and mental energy of employees, negatively influencing their health and well-being and thereby inducing decreased engagement. Based on these studies and the existing empirical evidence, we assumed that perceptions of job insecurity would reduce employee job engagement, proposing the following hypothesis:

Hypothesis 1. Job insecurity negatively influences job engagement.

2.2. Relationship between job engagement and turnover intent

Turnover intent is not only a warning signal of employees who are about to leave their organizations, but also a factor from which changes in employees within the organization and in job positions can be effectively predicted (Brown and Peterson, 1993). It can therefore be said that turnover intent is the intention of organizational members to attempt to abandon their qualifications as members and to quit their current jobs (Meyer and Allen, 1984). The negative effect of voluntary turnover has been frequently discussed in the hospitality industry in terms of maintaining a competent workforce (Kim et al., 2009; Kim
Many studies have found that higher engagement induces lower turnover intent and that engagement is the most influential psychological variable in reducing the turnover of employees (Jones and Harter, 2005; Rafiq et al., 2019; Shin and Jeung, 2019). According to Hughes and Rog (2008), employee behaviors are the most important factor for organizational success, and employees who are actively engaged in their job with enthusiasm have relatively low intent to leave their current organizations. Erdil and Macel (2014) provided empirical evidence showing that job engagement is sufficiently and closely related to reducing employee turnover intent, and Sibiyu et al. (2014) noted that employee engagement plays an important role in reducing turnover intent. Similarly, Timms et al. (2015) found that the turnover intent of employees can be reduced by creating a work environment that encourages job engagement, and Lu et al. (2016) stated that employee engagement can increase personal satisfaction and thereby reduce turnover intent, even under a variety of hardships. Casey and Sieber (2016) argued that employee job engagement serves as a key component of organizational sustainability—and reduced turnover intent—and Babakus et al. (2017) also found that job engagement on a personal level has a negative relationship with turnover intent. Therefore, the following hypothesis is posited:

**Hypothesis 2.** An employee’s job engagement negatively influences their turnover intent.

### 2.4. Moderating effects of generational characteristics

According to the theory of cohorts, common values and opinions can be formed among people in a cohort through experiencing and growing from specific events at the same time, as well as through emotional development (Ryder, 1965). Because members of a generational cohort enter school, enter job markets, and retire at similar ages, all while experiencing memorable historical events at similar developmental stages (Kowske et al., 2010), they may be regarded as having similar tendencies to perceive and interpret historical events based on those developmental stages (Duncan and Agronick, 1995). The effects of generational characteristics on jobs have been studied with a focus on job-related factors, such as work-related values, attitudes, and preferences in an organizational context, and such effects are considered significant variables in an organization (Schuman and Scott, 1989; Park and Gursoy, 2012; Goh and Jie, 2019). These differences between generations are more clearly shown in organizations. According to Cohen (2002); Eisner (2005), and Gursoy et al. (2008), Generation X grew up in a society of materialism, competition, and individualism, valuing professional goals, opportunities for professional growth, and efficiency. In contrast, Generation Y grew up in a period of globalization and empiricism; valuing transparency of communication and autonomy at work; and having strong self-centeredness and self-actualization needs with relatively high self-expression (Zemke et al., 2000; Twenge et al., 2010; Park and Gursoy, 2012). Chen and Choi (2008) explained that Generation Y places the highest value on job environments, and Hurst and Good (2009) said that Generation X prefer challenging work for self-development. Generation X is the main generation within organizations in Korea, while Generation Y has been gradually entering the labor market (Brown et al., 2015). Because these two generations make up the majority of the Korean hospitality industry (Eyoun et al., 2020), it is necessary to understand their characteristics within organizations, especially during the COVID-19 pandemic. In this study, we assumed that the effects of perceived job insecurity on engagement and turnover intent would be different between generations, hypothesizing the following:

**Hypothesis 4a.** The impact of job insecurity on job engagement is different between Generations X and Y.

**Hypothesis 4b.** The impact of job insecurity on turnover intent is different between Generations X and Y.

### 3. Research methodology

#### 3.1. Sample and data collection

The sample in this study comprised employees working for five-star hotels in Seoul that provide comprehensive services, including restaurants and gyms, with 200 or more bedrooms. At present, there are 22 five-star hotels in Seoul, 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 has an average of 500 employees in its food and beverage (F&B) department and that approximately 10,000 F&B employees are thus working in five-star hotels in Seoul, the number of experimental subjects was calculated to be 370, with a margin of error of 5%. The data was collected in April and May 2020, and the employees were surveyed voluntarily after obtaining permission from the HR managers. 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. To increase the response rate, a souvenier worth $3 was provided. 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. The average age of the respondents was 31.88 years old, and 67.5% were male and 32.5% female. Many had bachelor’s degrees (50.2%), and 61.2% had a tenure of less than 10 years.
3.2. Instrument development

The items of the questionnaire were prepared with reverse translation: two researchers fluent in both languages translated the items, which were originally written in English by Brislin (1980), into Korean and then reverse translated them from Korean to English to confirm that there were no differences in meaning. A preliminary survey was conducted a month before the main survey to revise ambiguous items.

The questionnaire consisted of four parts. The first part contained questions about the participants’ demographic information (e.g., age, gender, education level, and tenure) because these characteristics can play a significant role in predicting employees’ attitudes (Williams and Hazer, 1986). For the second part, we asked the employees to evaluate their overall perceptions of job insecurity during the COVID-19 pandemic. To measure job insecurity, this study adapted the multi-item scales by Pienaar et al. (2013) and Akhundzada and Eryilmaz (2018) (See Table 1). Each job insecurity construct was measured with eight items using a 7-point Likert scale responding to the question “how much do you agree or disagree with these statements?” (1: strongly disagree to 7: strongly agree). The third and fourth parts inquired about employee engagement and turnover intent. Job engagement was measured with five items using a 7-point Likert scale based on those developed by Schaufeli et al. (2002, 2006). Turnover intent was measured by four items using a 7-point Likert scale developed by Cammann et al. (1979) and Seashore et al. (1982). Turnover intent was

| Variable | Mean ± SD | Normal distribution | Skewness | Kurtosis |
|----------|-----------|---------------------|----------|----------|
| Job insecurity |         |                     |          |          |
| J1: I am very sure that I will be able to keep my job | 4.71 ± 1.50 | -.451 | -.539 |
| J2: I am certain of my job environment® | 4.77 ± 1.56 | -.490 | -.471 |
| J3: I think that I will be able to continue working here® | 4.78 ± 1.56 | -.513 | -.468 |
| J4: There is only a small chance that I will become unemployed® | 4.75 ± 1.56 | -.568 | -.403 |
| J5: I fear that I might get hire | 4.81 ± 1.54 | -.471 | -.445 |
| J6: I worry about the continuation of my career | 4.76 ± 1.54 | -.582 | -.454 |
| J7: I fear that I might lose my job | 4.82 ± 1.56 | -.438 | -.647 |
| J8: I feel uncertain about the future of my job | 4.81 ± 1.63 | -.531 | -.646 |
| Job engagement |         |                     |          |          |
| JE1: I find the work that I do full of meaning and purpose | 3.71 ± 1.45 | .121 | -.689 |
| JE2: I am enthusiastic about my job | 3.69 ± 1.45 | .113 | -.840 |
| JE3: My job inspires me | 3.60 ± 1.41 | .076 | -.690 |
| JE4: At my work, I feel bursting with energy | 3.72 ± 1.51 | .111 | -.786 |
| JE5: I get carried away when I am working | 3.68 ± 1.41 | .178 | -.590 |
| Turnover intent |         |                     |          |          |
| TI1: I sometimes feel compelled to quit my job in my current workplace | 3.64 ± 1.61 | .091 | 1.026 |
| TI2: I will quit my job at my current organization in 1 year or less | 3.60 ± 1.54 | .192 | -.892 |
| TI3: I am currently seriously considering leaving my current job to work at another company | 3.58 ± 1.62 | .022 | -.164 |
| TI4: I will quit this company if the given condition gets even a little worse than now | 3.54 ± 1.63 | .107 | -.027 |

Note: (1) SD = Standard Deviation.
* All variables measured on a 7-point Likert scale from 1-strongly disagree to 7-strongly agree. Reliability and confirmatory factor analysis properties.

3.3. Data analysis

The collected data was analyzed using SPSS and AMOS. 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. The four hypotheses were verified using SEM (structural equation modeling) and a multi-group analysis (Baggozi and Yi, 1988).

4. Results

4.1. Descriptive statistics

Table 1 showed the means and standard deviations of each item in relation to the constructs of this study: job insecurity, job engagement, and turnover intent. The mean values of the items under job insecurity 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 insecurity attribute. Of the five job engagement variables, “At my work, I feel bursting with my energy” (3.71 ± 1.45) ranked highest. Participants showed a moderate level of turnover intent, ranging from 3.54 to 3.64, and respondents showed the highest value for the attribute “I sometimes feel compelled to quit my job in my current workplace” (3.64 ± 1.61).

4.2. Measurement model

This study collected data using a self-report questionnaire, the CMV was first identified. Harman’s single-factor test focuses on whether most variances can be explained as one general factor (Podsakoff et al., 2003) and is used as a method of identifying the CMV in many studies addressing the hospitality industry (Min et al., 2016). The test results indicate that the explanatory power of a single factor (39.2 %) did not account for more than half of the total explanatory power (81.9 %). The results also show that there is no serious bias, because none of the measurement items had a factor accounting for the majority (50 % or more) of the covariance.

The analyses confirm the convergent and discriminant validity as well as the reliability of the properties, as shown in Table 2 and Fig. 2. The standardized coefficients for all the measurement items are 0.8 or higher. Cronbach’s alpha, the CCR, and the AVE are also 0.8 or higher (Anderson and Gerbing, 1988; Bentler and Bonett, 1980). The fit of the model is satisfactory ($\chi^2 = 214.451; df = 116; \chi^2/df = 1.849; GFI = 0.930; NFI = 0.972; CFI = 0.987; \text{and RMSEA} = 0.052$), judging from the degrees of freedom (Nunnally & Bernstein, 1994). Table 3 illustrated the intercorrelations between the three constructs in this study; the bivariate correlation shows that job engagement and the other two variables (job insecurity and turnover intent) are negatively correlated, confirming directionality that is consistent with the hypotheses. The AVE extracted from each structure is higher than the correlation with the other structures (Fornell and Larcker, 1981), and the ASV and MSV are smaller than the AVE, confirming the validity of the measurement items (Hair et al., 2010).
4.3. Structural equation modeling

The relationships related to the hypotheses were analyzed using SEM. Table 4 showed the standardized path coefficients and t-values for all the relationships in the structural model (Bagozzi and Yi, 1988). SEM was conducted to test Hypotheses 1, 2, and 3, and the structural model fit is good ($\chi^2 = 214.415$; $\chi^2$/df = 1.849; AGFI = 0.908; NFI = 0.972; CFI = 0.987; TLI = 0.985; and RMR = 0.054). Hypothesis 1, which hypothesized a negative relationship between job insecurity and job engagement, is supported ($\beta = –0.235$; t = –4.149; and $p < 0.001$). This indicates that, as perceptions of job insecurity are higher during the COVID-19 pandemic, people are less likely to engage and be involved in their jobs. Furthermore, employee engagement affects turnover intent ($\beta = 0.897$; t = 31.449; and $p < 0.001$).

Table 2
Reliability and confirmatory factor analysis properties.

| Constructs          | Standardized estimate | t-value | SMC$^a$ | CCR$^b$ | Cronbach’s alpha | AVE$^c$ |
|---------------------|-----------------------|---------|---------|---------|------------------|---------|
| Job security        | .932                  | fixed   | .952    | .980    |                  | .859    |
| JI$_1$              | .919                  |         | 30.106**| .944    |                  |         |
| JI$_2$              | .901                  |         | 30.917***| .987    |                  |         |
| JI$_3$              | .922                  |         | 30.502***| .950    |                  |         |
| JI$_4$              | .928                  |         | 31.160***| .960    |                  |         |
| JI$_5$              | .928                  |         | 31.163***| .961    |                  |         |
| JI$_6$              | .925                  |         | 30.815***| .955    |                  |         |
| JI$_7$              | .936                  |         | 32.191***| .979    |                  |         |
| Job engagement      | .942                  | fixed   | .939    | .970    |                  | .868    |
| JE$_1$              | .924                  |         | 31.576***| .953    |                  |         |
| JE$_2$              | .924                  |         | 31.545***| .953    |                  |         |
| JE$_3$              | .939                  |         | 33.641***| .981    |                  |         |
| JE$_4$              | .931                  |         | 32.513***| .986    |                  |         |
| Turnover intent     | .961                  | fixed   | .921    | .880    |                  |         |
| TI$_1$              | .986                  |         | .924    | .968    |                  |         |
| TI$_2$              | .926                  |         | 30.256***| .803    |                  |         |
| TI$_3$              | .926                  |         | 34.735***| .858    |                  |         |
| TI$_4$              | .969                  |         | 44.214***| .940    |                  |         |

Note:
$\chi^2 = 214.451$ (df = 116) $p < .001$; $\chi^2$/df = 1.849; Goodness of Fit Index (GFI) = .930; Normed Fit Index (NFI) = .972; Comparative Fit Index (CFI) = .987; Root-Mean Square Error of Approximation (RMSEA) = .052; *** $p < .001$.

$^a$ SMC = Squared multiple correlations; $^b$ CCR = composite construct reliability; $^c$ AVE = average variance extracted.

Fig. 2. Measurement model.

Table 3
Means, standard deviations, and correlations.

| Construct           | 1        | 2        | 3        | Mean ± SD$^a$ |
|---------------------|----------|----------|----------|---------------|
| 1. Job insecurity   | [.926]   | .053$^b$ | .013     | 4.77 ± 1.45   |
| 2. Job engagement   | –.232**  | [.931]   | .142     | 3.68 ± 1.37   |
| 3. Turnover intent  | .118*    | –.378**  | [.938]   | 3.58 ± 1.53   |

Note:
ASV (average shared variance) = Job insecurity (.035), Engagement (.101), Turnover intent (.081)MSV (maximum shared variance) = MSV (maximum shared variance) = Job insecurity (.055), Engagement (.147), Turnover intent (.147).

$^a$ SD = Standard Deviation; $^b$ Squared correlation; [Root of AVE value].
current situation in which uncertainty prevails and the goals of other generations (Twenge et al., 2010; Park and Gursoy, 2012). The engagement for Generation Y. Generation Y has a strong desire for COVID-19 is a considerable and significant factor in decreasing job not have a significant and direct effect on turnover intent.

Hypothesis 4b is rejected. More specifically, the negative effects of job insecurity on turnover intent display no significant on job engagement are significantly different according to the generational characteristics of the employees. First, the analyses showed that perceptions of job insecurity had negative effects on job engagement, which is consistent with previous studies (Lo Presti and Nonnis, 2012; Karatepe et al., 2020), suggesting that a higher perception of job insecurity by employees induces lower job engagement and consequently a negative state of mind. Second, employees’ job engagement negatively affected turnover intent, which is also consistent with previous studies (Casey and Sieber, 2016; Babakus et al., 2017).

This result may indicate that employees who do not have high job engagement, enthusiasm, and focus on the job have increased turnover intent. Third, job insecurity caused by COVID-19 showed a greater influence on Generation Y than on Generation X in reducing job engagement, indicating that the negative impact of job insecurity is higher in Generation Y.

Generational characteristics was examined, and the employee job insecurity and corresponding behaviors during the unprecedented COVID-19 pandemic. This study may be the first empirical research to verify the significant negative effects of job insecurity during the pandemic on the responses and behaviors of employees, and the results may contribute considerably to the hospitality industry literature. In addition, this study can help us understand the characteristics of job insecurity that affect the engagement and turnover intent of employees. The results of this study can present a theoretical opportunity to explore justifications on inducing less job insecurity, an academic opportunity that may contribute to further studies. Another significance of this study is that it clarifies what was not dealt with by existing studies which focused on simple causal relationships.

The results of this study suggest two important practical implications for job insecurity during the COVID-19 pandemic. First, the study verified that perceptions of job insecurity significantly influence employee engagement and turnover intent, suggesting that a stable climate should be created in organizational work environments in which employees perceive less job insecurity, in order to increase employee engagement and prevent the loss of a superior workforce. Job insecurity in the deluxe hotel sector is particularly high due to long working hours and the industry being sensitive to both seasonal variations and the wider environment. As a result, the COVID-19 pandemic has heightened the level of job insecurity in the sector. Therefore, deluxe hotel managers should make informed and constructive decisions to reduce the negative effects of job insecurity as much as possible. Therefore, it is important to

Table 4

| Hypothesized Path (stated as alternative hypothesis) | Standardized Path Coefficients | t-value | Results |
|-----------------------------------------------------|--------------------------------|---------|---------|
| H1: Job insecurity → Job engagement                 | −.235                          | −4.149*** | Supported |
| H2: Job engagement → Turnover intent                | −.375                          | −6.681*** | Supported |
| H3: Job insecurity → Turnover intent                | .035                           | .638 ns  | Not supported |

Goodness-of-fit statistics

- χ² = 214.451
- df = 14
- RMSEA = .035
- CFI = .987
- TLI = .985
- RMR = .054

Note:
* p < .05, *** p < .001, ns Not significant.

AGFI = Adjusted Goodness of Fit Index; NFI = Normed Fit Index; CFI = Comparative Fit Index; TLI = Tucker-Lewis Index; RMR = Root Mean Residual Square.

4.4. Moderating effects

Hypothesis 4 postulated that the effects of job insecurity on employee engagement and turnover intent would vary by generational characteristics. Prior to the analysis of moderating effects, measurement invariance related to the employees’ generations was examined, and the results are presented in Table 5. In the analysis that compared the chi-squared value obtained from the configural invariance model with that obtained from the metric invariance model, the difference is 15.018 at 14 degrees of freedom, which is not statistically significant at the 0.05 level, implying that the metric invariance is satisfied. This confirms that the measure invariances of the two moderating variables used in this study are not problematic (Hsiao and Lai, 2018). To verify the moderating effects, we compared the constrained and unconstrained models, determining significance by differences in the degrees of freedom (Table 6). The analysis shows that the negative effects of job insecurity on job engagement are significantly different according to the generation of the employee. Hypothesis 4a is therefore supported. Meanwhile, the effects of job insecurity on turnover intent display no significant differences, so Hypothesis 4b is rejected. More specifically, the negative effects of job insecurity on employee engagement are stronger in Generation Y than Generation X, indicating that the job insecurity caused by COVID-19 is a considerable and significant factor in decreasing job engagement for Generation Y. Generation Y has a strong desire for self-expression and higher self-centeredness and self-actualization than other generations (Twenge et al., 2010; Park and Gursoy, 2012). The current situation in which uncertainty prevails and the goals of self-actualization are consequently unclear may serve as a significant cause of the decrease in job engagement.

Table 5

| Model fit indices. | χ² | df | CFI | RMSEA | RMR | Δχ² |
|--------------------|----|----|-----|-------|-----|-----|
| Configural invariance model | 350.198 | 232 | .955 | .040 | .075 | 15.018 ns |
| Metric invariance model | 365.216 | 246 | .953 | .039 | .085 | |

Note: Δdf = 14, Δχ² = 23.7 (p < .05); RMR = Root Mean Square Residual; ns Not significant.

5. Discussion and implications

In this study, we examined the effects of job insecurity as perceived by deluxe hotel employees on their job engagement and turnover intent under the unexpected environmental changes caused by COVID-19. We also determined whether the effects of job insecurity varied according to the generational characteristics of the employees. First, the analyses showed that perceptions of job insecurity had negative effects on job engagement, which is consistent with previous studies (Lo Presti and Nonnis, 2012; Karatepe et al., 2020), suggesting that a higher perception of job insecurity by employees induces lower job engagement and consequently a negative state of mind. Second, employees’ job engagement negatively affected turnover intent, which is also consistent with previous studies (Casey and Sieber, 2016; Babakus et al., 2017). This result may indicate that employees who do not have high job engagement, enthusiasm, and focus on the job have increased turnover intent. Third, job insecurity caused by COVID-19 showed a greater influence on Generation Y than on Generation X in reducing job engagement, indicating that the negative impact of job insecurity is higher in Generation Y.

The theoretical implications of these results are as follows. This study has academic significance in that it conducted an appropriately timely consideration of job insecurity as perceived by deluxe hotel employees during the COVID-19 pandemic. It was particularly meaningful that this paper examined hotel hospitality, which is one of the industries that has been most damaged by COVID-19. This study also verified the organic causal relationships between job insecurity, job engagement, and turnover intent, establishing a theoretical foundation for associations between job insecurity and the psychological responses of deluxe hotel employees. There have been previous studies of job insecurity in general competitive environments, but few have been conducted on perceived employee job insecurity and corresponding behaviors during the unprecedented COVID-19 pandemic. This study may be the first empirical research to verify the significant negative effects of job insecurity during the pandemic on the responses and behaviors of employees, and the results may contribute considerably to the hospitality industry literature. In addition, this study can help us understand the characteristics of job insecurity that affect the engagement and turnover intent of employees.

The results of this study can present a theoretical opportunity to explore justifications on inducing less job insecurity, an academic opportunity that may contribute to further studies. Another significance of this study is that it clarifies what was not dealt with by existing studies through the effectiveness of a new moderating variable, generation, and emphasizes the necessity of expanding theories from other studies which focused on simple causal relationships.

The results of this study suggest two important practical implications for job insecurity during the COVID-19 pandemic. First, the study verified that perceptions of job insecurity significantly influence employee engagement and turnover intent, suggesting that a stable climate should be created in organizational work environments in which employees perceive less job insecurity, in order to increase employee engagement and prevent the loss of a superior workforce. Job insecurity in the deluxe hotel sector is particularly high due to long working hours and the industry being sensitive to both seasonal variations and the wider environment. As a result, the COVID-19 pandemic has heightened the level of job insecurity in the sector. Therefore, deluxe hotel managers should make informed and constructive decisions to reduce the negative effects of job insecurity as much as possible. Therefore, it is important to
create work environments in which employees can perform their jobs without anxiety and to establish autonomous and horizontal organizational cultures in which employees can express consideration and attention through mutual communication. Hotel managers should make efforts to build close relationships with employees so that they can detect perceived threats in the workplace and address employees’ fears. They have to make sure that employees do not think that managers are avoiding important issues.

Managers should be able to identify threats perceived by organizational members and help alleviate these issues, building close relationships with members so they do not feel that the managers are avoiding important issues. Because employees are more sensitive to issues closely related to their daily lives, such as conversations and behaviors, this can contribute to a decrease in concerns and prevent employee turnover. To reduce job insecurity, measures can be considered through which employees participate in decision-making processes, empowering them to regard their jobs as an important part of the organization. Through employee participation in the decision-making process, employees will be able to understand the difficulties that face an organization and sympathize with the goal of the organizational development. Ultimately, this will help better decisions to be made. Opportunities for sharing previous experiences of overcoming challenges or passing on know-how from past eras of insecurity need to be established through the use of the mentor-mentee system. Improved ways of increasing employee confidence and engagement should also be prepared.

Finally, at the hotel level, a powerful support system in which employees feel less pressure and adjust themselves to the organization may increase their performance and loyalty as well as reduce turnover intent. Consequently, it appears unlikely that the ongoing COVID-19 pandemic will be resolved quickly. We know that short-term measures such as using annual vacation allowances or unpaid leave can no longer be considered meaningful solutions, and so it will be necessary for companies to introduce the sequential implementation of, for example, additional paid leave, adjustments to working hours, or a job-rotation system, rather than a reduction in employee numbers. A willingness from both employees and managers, and collaboration between them, will be required to secure jobs and ensure employee retention. For example, executives could voluntarily cut their salaries and labor unions could agree on collaborative relations instead of strikes. It will also be necessary to seek methods of decreasing the job insecurity perceived by employees as much as possible. In addition to these policies, deluxe hotels in South Korea should make efforts to overcome the COVID-19 pandemic by developing new marketing skills such as “contact” approaches or meal box services. However, the hotels’ volition cannot maintain employment levels by itself. Government should also seek alleviation measures, for example providing government funds to hotel companies and reducing taxes. Demonstration by the government of a strong policy intention to support companies that do not implement layoffs would also be meaningful by reducing the negative effects on job insecurity. Second, this study may contribute to predicting behaviors within organizations based on generational characteristics by verifying the specificities of Generation Y as the main workforce of deluxe hotels in the near future. Based on the results of this study, Generation Y perceived job insecurity more seriously because its negative impact is relatively high for them. Generation Y are perceived to value job satisfaction over job insecurity as they focus on a challenging life (Mohapatra et al., 2017). However, according to this study, they show more sensitive responses to employment security, which implies that their job engagement is reduced under the current uncertainty in which communication is less active and the purpose and meaning of self-actualization are unclear. Given that employees of Generation Y will be the main resource of the hotel labor market in the future (William et al., 2019), systemic policies are needed to enhance their engagement and prevent turnover. It is worth noting that implementation of such policies is more necessary for Generation Y, who show strongly diminished engagement in the face of job insecurity. This study provides empirical evidence that strategies and a variety of measures should be established to motivate Generation Y employees and satisfy their desires for self-expression and self-actualization through constant communication, as well as measures to decrease job insecurity at the organizational level.

The limitations of this study offer some insights for future research. First, the results are generally restricted because the samples are limited to Korean employees. Furthermore, Generation X and Generation Y were not equally sampled in examining the moderating role of generation. Second, since this study is cross-sectional, it cannot be extrapolated over time; longitudinal studies and comparative studies at different cultural levels are needed. A problem might arise from the uniqueness of the data collected during the COVID-19 pandemic. Considering the data’s singularity of contribution, collection of the data during this period only can make it difficult to generalize the results. Third, this study relied on self-reporting to measure job insecurity, engagement, and turnover intent, and thus the respondents might have answered what they think is desirable, depending on their subjective views and the measurement tools. This calls for more objective measurement tools and estimations in further studies. Lastly, although this study used turnover intent as the final dependent variable, additional variables that can be used to concretely assess employee behaviors and organizational performance are required. In particular, turnover intent means simply an employee’s intention to leave a job, rather than the actual turnover rate, which future studies will need to examine. Further studies are also needed to determine the associations between the various independent and dependent variables that can affect job insecurity.

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Table 6

| X-generation (N = 104) | Y-generation (N = 211) | Unconstrained model chi-square (df = 232) | Constrained model chi-square (df = 233) | Δχ² (df = 1) |
|---------------------------------|----------------|---------------------------------|---------------------------------|-------------|
| Standardized Coefficients | t-value | Standardized Coefficients | t-value | 350.198 | 354.341 | 4.143* |
| H4c: Job insecurity → Job engagement | –.164 | –1.633*** | –.272 | –3.963*** | 350.198 | 350.997 | –.799ns |
| H4b: Job insecurity → Turnover intent | .103 | 1.102** | .010 | .149** | 350.198 | 350.997 | –.799ns |

Note: χ²/df = 1.509; GFI = .892; NFI = .955; TLI = .982; CFI = .984; IFI = .982; RMSEA = .040; *p < .05, **p < .01, ***p < .001, ns Not significant.
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