

The Great Resignation: stopping the ‘bleed’

Oliver Horn

With 33 years of hospitality experience, across 13 locations in Western and Eastern Europe as well as in South East Asia and in Korea, Oliver is considered a specialist for hotel openings - he has six of those "under his belt". He has worked across the InterContinental, Crowne Plaza and Hotel Indigo brands and has brought several of those hotels to life. He loves to create the ideal environment for the business to thrive through the people who run it. Developing his team and focusing on creating the right environment has always been his key focus. He works in close alignment with owners and investors who share his love for hospitality. His core values of fairness, social responsibility and life-long learning shine through in his actions and translate into tangible deliveries.



As hospitality businesses open up ‘post-pandemic’, the unavailability of qualified staff has become one of the biggest obstacles to businesses’ ability to take maximum advantage of the pent-up desire and need for travel.

A study published by McKinsey in September 2021 under the headline “Great attrition or great attraction? The choice is yours”¹ verbalised and quantified for the first time something that the hospitality industry around the globe is experiencing as businesses start their return to the ‘next normal’. The article explained in detail a mindset that has become commonplace both for employers and employees, and that will be troubling the industry for a while if not properly addressed.

When Covid first brought the world to a standstill, the hospitality industry was one of the first and worst hit. Business came to a halt; many hotels and restaurants closed or decreased staffing levels as much as possible in order to cut expenses. In the developed world, this was done with the help of government programmes so that employees could access some kind of safety net. In developing countries, these safety nets often did not/do not exist. Many employers were ruthless, simply telling staff that they were no longer needed. ‘Thanks’ to many governments calling Covid-19 a “force majeure”, employers got around paying legally required compensation for terminating employees at short notice. Many of our colleagues, expatriate and local, found themselves literally ‘on the street’ within weeks of the pandemic ravaging the industry.

Employers’ social responsibility to the communities in which they do business was one of the first victims of the pandemic. The understanding that “our staff is our most valuable asset” turned into pure semantics.

Today, as these businesses celebrate that they are opening again, there is a surprising level of surprise among the most callous of employers that now they can’t find staff. The industry will have to come up with new ways of working if they want to attract colleagues back – the loss of trust and goodwill will have serious repercussions. To ‘make good’ on their actions, employers need to first understand how much they broke – initial observations show that they have not even started to understand what they did.

What about people still employed? Shouldn’t they be lucky to still have a job?

In the McKinsey study, 40% of participants who were still employed answered that they were at least somewhat likely to leave their job in the next 3–6 months; 64% of these claimed that they are planning to leave without a new job lined up.

At the core of this is, I believe (and the study suggests), is a general disconnect between what employees are looking for and what employers think that employees are looking for. The pandemic has sent many of us into a survival mode, forcing actions that were purely transactional. Yet the hospitality industry, at its core, depends on people who care for others. Employers need to ask employees questions that show they care and rebuild the trust that has been lost due to their actions when the pandemic hit.

As a member of a Vietnamese investment group that did exactly the opposite, that held on to employees at substantial cost to the enterprise and with employees at all levels ‘chipping in’ through unpaid leave to help keep everyone employed, I know first-hand that this has built a substantial amount of trust and our levels of attrition are substantially below the market average as other businesses reopen. Asking the right questions, listening to the answers and consistently responding with empathy and tangible action, not words, will be key to our success.

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Note

1. McKinsey & Company, September 8, 2021, study conducted with 4,294 participants in the US, UK, Australia, Singapore and Canada. Available at: <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/great-attrition-or-great-attraction-the-choice-is-yours>