

# Addressing the Great Resignation: Talent Attraction and Retention in the Italian Hospitality Industry

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## Introduction

The ability to attract and retain talent has always been a critical challenge for organizations, but in recent times it has become even more pressing due to a significant labor market phenomenon known as the Great Resignation. This unprecedented wave of employee turnover has had profound implications across an extremely wide range of industries and all over the world, including the Italian hospitality industry.

The Great Resignation, a term coined to capture the magnitude of this labor market shifts, refers to the substantial increase in voluntary employee resignations and job transitions. Beginning in the wave of the Covid-19 pandemic, the phenomenon has since gained momentum all over the world and continued to reshape the employment landscape.

Organizations in different sectors have witnessed an exodus of talent as employees seek new opportunities, better working conditions, or pursue alternative career paths. From multinational corporations to small and medium enterprises, employers have grappled with the challenge of retaining their best employees amidst a dynamic and competitive labor market.

The Italian Hospitality industry, renowned all over the world for its rich cultural heritage, and culinary delights, has unfortunately not been immune to the shifts caused by this phenomenon. As a sector heavily reliant on skilled staff to provide exceptional service and create memorable experiences for guests, all hospitality establishments have faced significant workforce disruptions. The consequences of the phenomenon within this industry extend beyond immediate staffing challenges and have implications for customer satisfaction, business performance and the overall reputation of the industry.

In this study, we aim to explore how talent attraction and retention practices can help companies in the Italian hospitality industry cope with the challenges posed by the Great Resignation.

Chapter I sets the foundation of this study by providing an in-depth analysis of the rise of the Great Resignation. We examine the factors that have contributed to this phenomenon, arguing that its ultimate trigger was the Covid-19 pandemic. The pandemic in fact not only disrupted the global economy, but also reshaped individuals' perceptions of work, leading to a newfound emphasis on work-life balance and personal fulfillment. Additionally, we delve into the pre-existing societal issues of *workism* and *workaholism*, which have fueled the desire for change in the post-Covid era. By understanding the underlying causes and motivations behind the Great Resignation, we can better comprehend its implications for the Italian hospitality industry.

Chapter I further investigates the specific manifestations of the Great Resignation within the Italian context. We explore the unique challenges faced by the Italian hospitality industry and analyze the industry's response to the changing dynamics of talent attraction and retention. By examining the Italian perspective, we gain insights into the cultural, economic, and labor market factors that contribute to the great resignation, thereby enabling us to develop tailored strategies to address these challenges effectively.

Moreover, we recognize that the Great Resignation is not just a generational issue but one that impacts employees across different age groups. Chapter I delves into the generational dynamics underlying the great resignation, exploring the varying attitude and aspirations of different generations towards work and career. By understanding these generational differences, organizations can adopt targeted approaches to attract and retain talent based on the unique needs and expectations of each generation.

To identify effective talent attraction and retention practices, we then analyze what the motivations underlying the Great Resignation are. Factors such as salaries and benefits, work-life balance, mental health considerations, job security, and learning and development opportunities play a significant role in employees' decisions to leave or stay with an organization. By addressing these motivations through well-designed talent management strategies, companies in the Italian hospitality industry can enhance their ability to attract and retaining top talent.

We also explore the consequences of the Great Resignation, highlighting that the labor market disruption resulting from this phenomenon can present both challenges and opportunities for companies. Understanding these consequences allows us to develop strategies that mitigate the negative impacts and capitalize on the positive aspects of this labor market shift.

Building upon existing literature, Chapter II then explores the concept of talent management as a potential solution to address the challenges posed by the Great Resignation. The chapter begins with an overview of the concept of talent and Talent Management and its relevance in the current job market. It then delves deeper into the specific ways Talent Management practices can address the Great Resignation phenomenon. Next, the chapter explores the concepts of talent attraction and retention, which are critical to the success of any Talent Management strategy. The section provides definitions for these terms and examines existing literature from various industries to understand how Talent Management practices can help organizations effectively attract and retain top talent.

Lastly, the chapter concludes with a focus on the hospitality industry in particular, taking a closer look at previous studies on the use of Talent Management practices within this sector. Through this literature review, this chapter aims to provide a comprehensive understanding of the benefits and challenges associated with the use of Talent Management practices in attracting and retaining employees.

In Chapter III we present our empirical analysis within the Italian hospitality industry. We address our research question of whether and how can talent attraction and retention practices help companies in the Italian Hospitality industry cope with the Great Resignation phenomenon. For our study we have performed a total of 15 interviews, which we later analyzed using the qualitative method used by Corley & Gioia, identifying First Order Concepts which are then grouped into Second Order Concepts which ultimately lead to three Aggregated Dimensions (Corley & Gioia, 2004).

Through our interviews with employees of the sector from the two most touched generations, Millennials and Gen Z, we gain valuable insights into their perspectives on talent attraction and retention practices. By extracting key concepts from these interviews, we develop comprehensive recommendations guide for organizations in the Italian hospitality industry towards effective talent management strategies.

## Chapter I: The Great Resignation

The job market is undergoing a significant transformation as we emerge from the Covid-19 pandemic. One of the greatest changes is the rise of a new phenomenon known as “The Great Resignation”. Also known as “Big Quit”, this phenomenon is characterized by an extremely large amount of employees across different industries and professions leaving their jobs. This unprecedented quit rate has caught the attention of researchers, employers, and policymakers. In this first chapter, we aim to explore the origins, drivers, scope, and consequences of the phenomenon.

The first section examines the rise of the phenomenon and its historical antecedents. We argue that despite the fact that Covid-19 served as the ultimate trigger by exposing the fragility and inequities of the labor market, the Great Resignation has deeper roots in the culture of *workism* and *workaholism* that has been prevalent in many societies for the past decades. The pandemic has exposed the flaws of this approach and created a new awareness for a more balanced and flexible work approach.

The second section focuses on the presence of the phenomenon in Italy, which provides an interesting case study of a country where traditionally job security and stability have been more valued than career mobility. The third section addressed the generational angle of the Great Resignation, which has been most pronounced among younger workers who are more likely to prioritize work-life balance, personal growth, and purpose-driven careers than their older peers. We explore how the values and expectations of different generations are changing the nature of work.

The fourth section delves into the motivations underlying the Great Resignation, which are multifaceted and complex. We examine the key factors that drive employees to leave their jobs, such as salary, work-life balance and mental health, job security.

The fifth and final section assess the consequences of the Great Resignation for employers, employees, and society as a whole. We argue that while the Great Resignation represents a significant challenge for employers who must retain and attract talent in a highly competitive environment, it also presents an opportunity for organizations to rethink their policies and practices to foster more engaging, inclusive, and innovative workplaces.

### 1.1 The rise of the phenomenon

#### 1.1.1 Covid-19: the ultimate trigger

9<sup>th</sup> March 2020. A date that will forever live in the minds of millions of Italians, as it marked the official start of the first country-level lockdown to decrease the spread of the Covid-19 virus in Italy. For a few weeks the whole country was put to a halt, soon followed also by other European neighbors and, in less strict lockdowns, the whole world. As we struggled to comprehend the impact of the virus, it became clear



that all the adjustments that we were making to our daily routines in order to combat its spread were not just temporary. Society as a whole was facing major shifts in how we live and interact with one another. In particular, the pandemic had significant impact on the workplace, with the introduction of measures such as rules against large gatherings and the emphasis on social distancing leading to a shift towards remote work. As a result, many employees found themselves working from home, a change that required adjustments to technology, communication, and management styles. In 2019 in the European Union approximately 5.5% employed people aged 20-64 worked from home; this share increased in 2020 to 12.3%, followed by a further increase to 13.5% the following year. In Sweden's capital region, 40.5% of employed people were working from home in 2021, the highest share across all regions in the EU (Eurostat, 2022). The pandemic also led to the implementation of various health and safety measures in the office, including mandatory mask-wearing, increased cleaning and sanitation, and the reconfiguration of workspace to allow for social distancing.

We shall also remember that there are certain types of work that cannot be done remotely, such as jobs that require physical presence or proximity to certain equipment or facilities. These workers have had to continue working on-site, often with additional health and safety measures in place to protect them from the risk of Covid-19 transmission. In some cases, this has meant reduced capacity or changes to work schedules in order to allow for social distancing. Additionally, workers in these fields may have faced increased stress and risk due to the pandemic, as they have had to balance the demands of their jobs with the need to protect themselves and their loved ones from infection.

In response to the crisis, governments and businesses around the world have implemented a range of measures to support workers and businesses affected by the pandemic. These have included financial assistance such as unemployment benefits and small business loans, as well as measures to facilitate the transition to remote work and the implementation of health and safety protocols in the workplace. In the European Union, for example, on April 6<sup>th</sup>, 2020, the European Commission announced the availability of approximately EUR 8 billion for financial relief to small and medium-sized enterprises across the EU (European Commission, 2020). This was followed by additional measures that are still in act now. Despite these efforts, the pandemic has exposed the fragility of the labor market and the need for greater resilience and support for workers in times of crisis.

The extremely precarious situation led to an even more unsure labor market. Many businesses have had to reduce their capacity requirements due to the restrictions and social distancing measures, leading to a decrease in demand for certain services, such as hotels, restaurants and other leisure and hospitality businesses among many others. Only in Italy, the revenues of the hospitality industry decreased by 42.5% from 2019 to 2020 and these figures were similar in many other States (FederAlberghi, 2022). This has resulted in a significant increase in layoffs and furloughs as these businesses struggled to stay afloat amid the economic downturn caused by the pandemic. The situation was made even more precarious by the fact that many of these layoffs were temporary, with no clear indication of when or if these jobs will return.

This left many workers unsure of their financial stability and future employment prospects, creating a high level of uncertainty and anxiety for those affected. One study in particular found that uncertainty during the pandemic was positively related to symptoms of depression and anxiety (Wang, et al., 2021).

In the United States alone, the number of people filing for unemployment benefits reached a peak of around 6.6 million in the week ending March 28, 2020, which at that time was the highest level since the government began tracking the data in 1967 (Casselman & Cohen, 2020). In February 2021 in Italy the number of employed people was 22.197.000, which is 945.000 less than in February 2020, showing us a decrease in the occupation rate of 4.5% in just one year due to the Covid-19 pandemic (Il Sole 24 Ore, 2021).

As the pandemic continued, the number of layoffs and unemployment claims remained high, but they began to gradually decline over time. In the United States we see that the number of resignations remained relatively low for most of 2020, most probably because of the uncertainty characterizing the job market. In figure 1 we can clearly see that in the first months of the pandemic the number of voluntary quits was well below 2%. However, in November we can see a spike in resignations, a growth from 2.3% in October 2020 to 2.7%. After that month, the voluntary quits rate in the US stayed constantly around 2.5%, reaching then a new all high of 2.8% in April 2021.

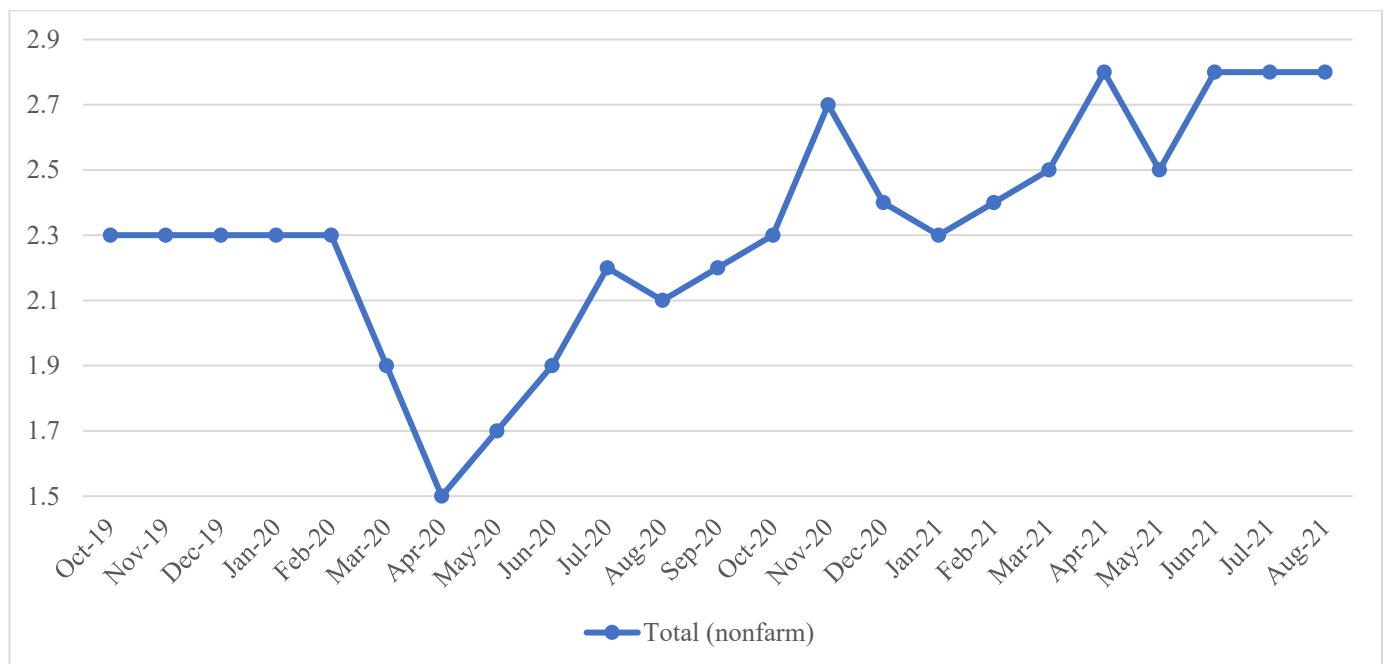


Figure 1 – Voluntary Quits Rate in the United States.

Source: U.S. Bureau of Labor Statistics

This was the start of the Great Resignation phenomenon.

Texas A&M psychologist Anthony Klotz is credited with coining the term “The Great Resignation” to describe the conspicuous and perplexing labor shortage, as he used the term in a viral interview (Cohen , 2021) about the phenomenon in May 2021. Klotz felt that the pandemic had changed how people felt about

work and this was confirmed by his conversations with students, workers, and business leaders. He thought that “workers saw that quitting their jobs gave them a chance to take control of their personal and professional lives” (Kellet, 2022).

The Great Resignation trend did not come out of the blue, completely unannounced; the Covid 19 pandemic was simply its ultimate trigger.

### 1.1.2 Pre-covid: Workism and Workaholism

In the early 20<sup>th</sup> century, a particular view became quite popular: according to the economist John Maynard Keynes, the 21<sup>st</sup> century would be characterized by a 15-hour workweek and the equivalent of a five-day weekend (Keynes, 2010). This led to think that our identity would not be defined by our work but rather by our hobbies and family life, as we could dedicate more time to those aspects of our lives.

If we look at the data, that prediction was not 100% wrong. If we look at figure 2, we can see that for all the countries taken into consideration the annual working hours per worker in 1870 were around 3000, giving us an average of 57 working hours per week. By 1980, that number had drastically decreased to less than 2000 annual hours for all the countries in consideration and it kept decreasing until 2017, with an average of 38 hours per week. While these numbers are still very far from Keynes’ prediction, they show us how much the work year has shrunk since the late 18<sup>th</sup> century. However, these data do not tell the whole story.

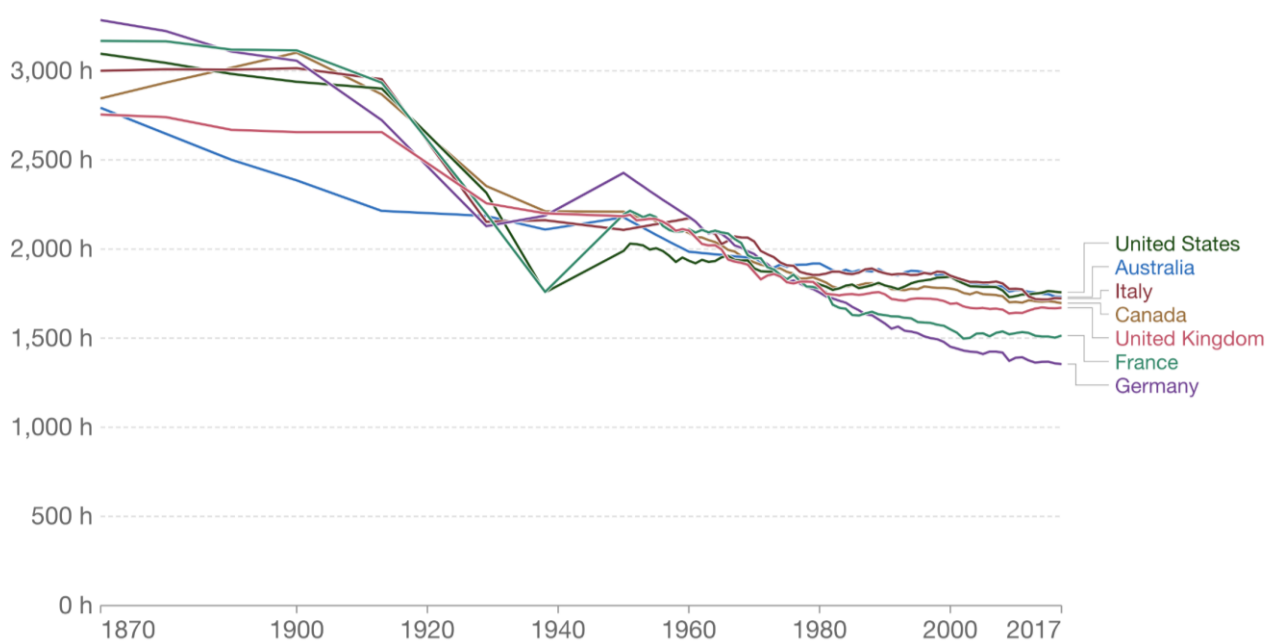


Figure 2 – Annual Working Hours per Worker

Source: (Giattino, Ortiz-Ospina, & Roser, 2020) <https://ourworldindata.org/working-hours#are-we-working-more-than-ever>

In the previous figure we can see how after 1980, the United States working year actually started to increase again. That increase was mainly led by one category and that is that of the highest income earners. According to a US Census Bureau survey, to this day the top 10% of US earners work an average of 4.4 hours more each week than those in the bottom 10% (Ang, 2022). However, that is not the case for all the countries: as we can see in Figure 3, on average the top 10% actually works approximately 1 hour less per week than the bottom 10%. So, the question comes spontaneously: why is a country like the US showing us the opposite trend?

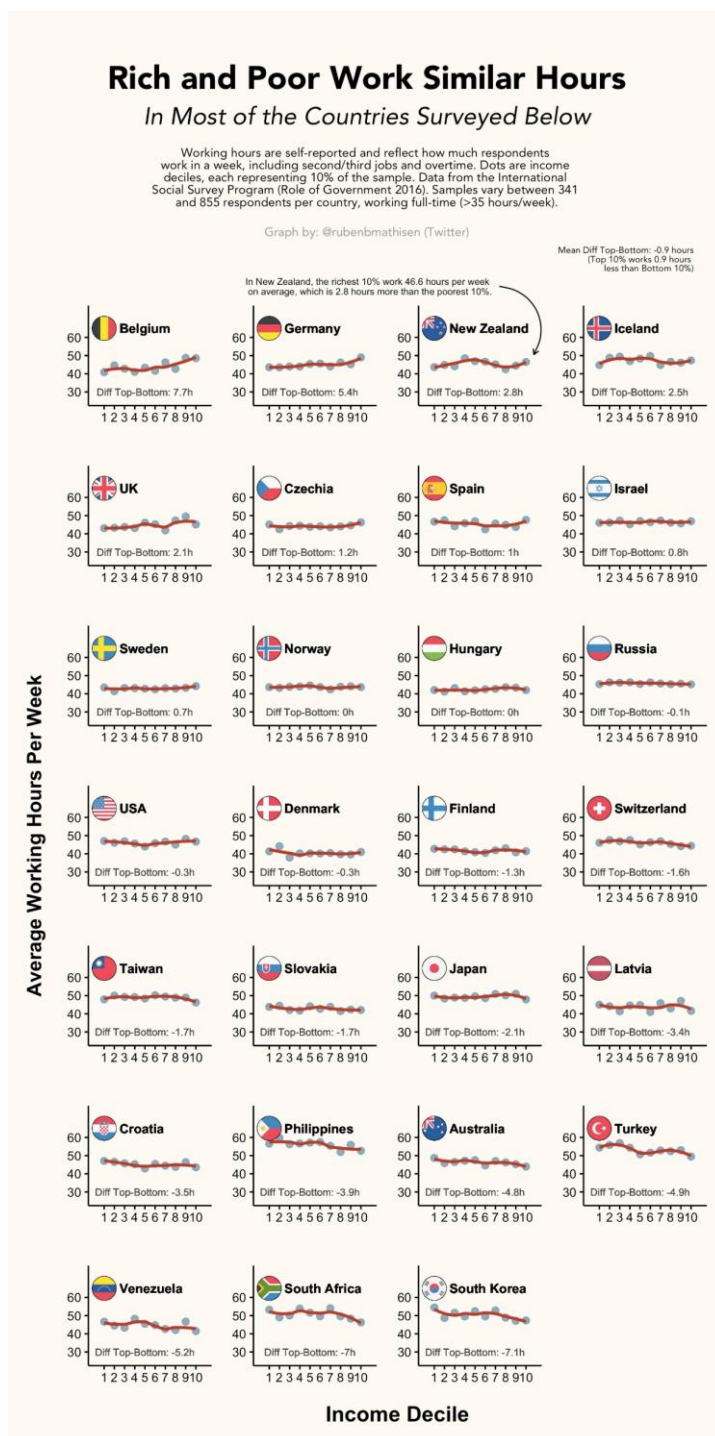


Figure 3 – Working Hours per Work, Rich versus Poor

When Bill Clinton signed The Personal Responsibility and Work Opportunity Act (PRWORA) in 1996, he officially linked the national welfare politics to the citizens' work and their wages. That was only the ultimate step that highlighted how much work was not only seen as a way to access and climb the social ladder, but most importantly as a way to access a great number of services, such as the health services. While in many countries such as Italy these services are provided by the State, that is not exactly the case in the United States.

By focusing on the concept of meritocracy and linking it to the access of services, the United States became one of the few countries where one's job does not simply represent an identity, but rather represents the only way to be able to live a fair life. If on one hand this concept helps those who excel by giving them recognition and rewards, on the other it penalizes all those who have more difficulties.

It is evident that in recent years more and more people have been working longer hours in order to access certain services that are only available to those with higher paying jobs. As a result, the group of people who work the longest hours has come to constitute the higher class.

Now it's society itself that places a strong emphasis on young people striving for successful careers that will bring them both personal gratification and a sense of accomplishment. High-ranking job titles, such as CEO or CFO, are now seen as symbols of an individual's hard work and dedication to their career. To many, achieving such a position becomes a fundamental goal, not only for the recognition and respect it brings, but also for the sense of personal pride and self-worth it can provide.

However, this focus on career achievement can sometimes lead people to prioritize their job titles and status over their own happiness and well-being. Instead of working to lead a fulfilling life, the mentality becomes one of tirelessly pursuing a career path that will ultimately lead to a high-status job that provides a satisfactory standard of living. The pressure to achieve this type of career can sometimes result in individuals sacrificing their own enjoyment and well-being in the pursuit of success.

This mindset, which is often reinforced by society, can be detrimental if it leads people to prioritize their careers over their own well-being and happiness.

In 2019, the US journalist Derek Thompson coins for the first time the term "Workism", which he defines as "the belief that work is not only necessary to economic production, but also the centerpiece of one's identity and life's purpose, and the belief that any policy to promote human welfare must always encourage more work" (Thompson, 2019). With this definition, the concept of workism is ultimately recognized as a real phenomenon which is part of our daily lives. Thompson particularly remarks how much the conception of work has shifted in the past years, "from *jobs* to *careers* to *callings*, from *necessity* to *status* to *meaning*" (Thompson, 2019).

There is another definition that is quite important for our analysis and that is that of "workaholism". Workaholism falls in the obsessive-compulsive behaviors and is characterized by an excessive devotion to work to the exclusion of other activities. The term was first coined by Wayne Oates in 1968, where he describes it as an addiction just like alcoholism, in which individuals become addicted to the feeling of

accomplishment and productivity that work brings (Oates, 1968). Workaholics may sacrifice their personal relationships, health, and well-being in pursuit of work, and may continue to work even when it is detrimental to their overall quality of life. They may also have difficulty setting boundaries and may have a hard time disconnecting from work.

While workism and workaholism both involve a strong focus on work, the key difference is that workism is a belief or ideology, while workaholism is a pattern of behavior that can have negative consequences. However, both of them can contribute to the risk of what is called burnout. In 2019, the World Health Organization officially classified burnout as an occupational phenomenon and not a medical condition; as we can read in their statement, “burn-out is a syndrome conceptualized as resulting from chronic workplace stress that has not been successfully managed. It is characterized by three dimensions: feelings of energy depletion or exhaustion; increased mental distance from one’s job, or feelings of negativism related to one’s job; and reduced professional efficacy” (World Health Organization, 2019). It can occur when a person feels overwhelmed and unable to meet the demands of their work or other responsibilities. Workism, with its emphasis on work as the most important aspect of life, can create pressure to constantly perform and succeed, which can lead to feelings of stress and exhaustion. Similarly, workaholism, with its obsessive and compulsive dedication to work, can also result in high levels of stress and lead to burnout.

Throughout these first decades of the 21<sup>st</sup> century, we have seen a great increase in stress related to work. According to the American Institute of Stress (AIS), in 2019 83% of US workers suffered from work-related stress, and 63% of US workers were ready to quit their jobs due to stress (The American Institute of Stress, 2019). This was particularly true for millennials, who are statistically more likely to experience burnout than any other generation. One reason for this may be that millennials are more likely to take workplace stress at home with them. A survey in the UK found that 73% of 25–35-year-olds had taken workplace stress home with them and 62% of workers in that age range said they had felt sleep deprived due to career stress in the past (Papadatou, 2019). Another reason might be the attachment and dependence of this generation on technology and its constant presence in their lives. In today’s fast-paced and highly connected world it can, in fact, be difficult to separate work and personal life. This can lead to a feeling of constant stress and pressure as workers struggle to balance the demands of their job with their personal lives. The so called “Millennial burnout” may also be fueled by the social and economic factors that have impacted this generation. Many millennials came of age during the dotcom bust of the early 2000s and were set back again by the financial crisis in 2008. The resulting economic instability has contributed to a feeling of precarity that is unique to this generation, as highlighted by author of “Can’t Even: How Millennials Became the Burnout Generation” Anne Helen Petersen (Petersen, 2020). Additionally, rising student debt has had a disproportionate impact on millennials, adding to their stress and feelings of burnout. According to a survey by AARP, 25% of US millennials stated that their student debt prevented them from moving out of their family home, carrying an average balance of \$38,877 per borrower (Hanson, 2021). The way in which millennials approach their careers may also contribute to their higher risk of burnout.

Many millennials were raised to believe that hard work would lead to success and the lifestyle they desire. However, as we previously mentioned, these long hours of work now are the new norm and thus only lead to a fair standard of living and not to the most elite status as they did in the past. Having that belief followed by unmet expectations can lead to an unhealthy focus on work, and the blurred lines between work and leisure can create a vicious cycle where success and efficiency lead to more work and less leisure time.

### 1.1.3 Post-Covid: A new awareness

After Covid-19 hit, the lives of workers around the world rapidly changed. Many people have been forced to work from home, while others have lost their jobs or faced other challenges as a result of the pandemic. When forced to slow down and spend more time at home, many found a new appreciation for the importance of work-life balance and the desire to spend more time with family. At the same time however, the increased demands and stress of the pandemic have led to a rise in burnout rates and an increase in the number of workers leaving their jobs. As can be seen in Figure 4, all generations experienced an increase in the number of individuals having feelings of burnout, including Baby Boomers despite the fact that most of them are now retiring.

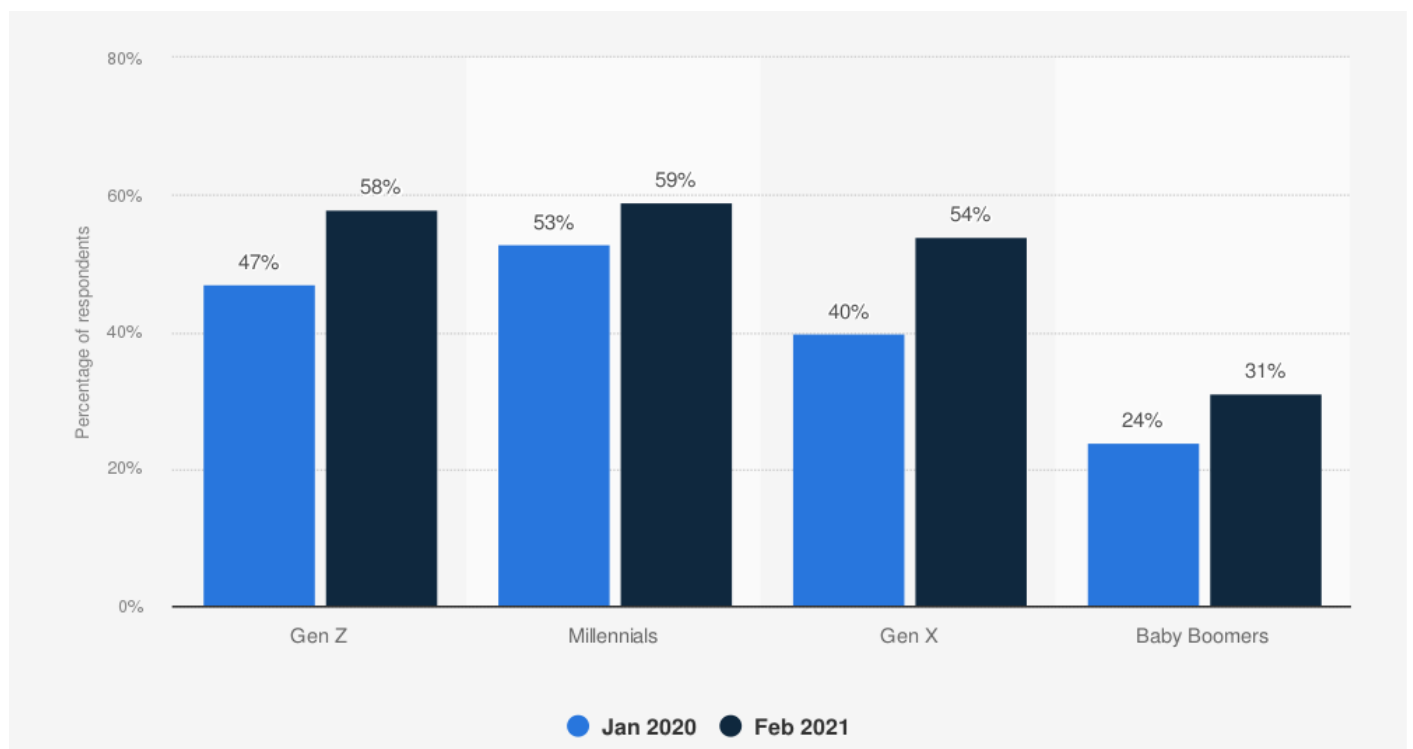


Figure 4 – Percentage of U.S. employees who had feelings of burnout pre-COVID vs post-COVID, by generation

Source: (Indeed US, 2021) <https://www.statista.com/statistics/1256283/burnout-among-us-employees-by-generation/>

While these burnout rates were almost considered normal before the spread of the pandemic, things rapidly changed. The virus has had a major impact on the lives of workers, and it has affected different groups of people in much different ways.

For office workers, the sudden shift to working from home and the disruption of their normal routines has forced and allowed them to slow down and appreciate the importance of their relationships and personal interests. This may have involved saying “no” to additional work or projects in order to maintain a healthy work-life balance and the rise of phenomena such as that of “Quiet quitting” that we will analyze more thoroughly later in this chapter. These workers have come to realize the importance of taking time for themselves and their personal interests and have been more hesitant to devote all of their time and energy to work as they did before the pandemic.

On the other hand, frontline workers have faced increased stress and challenges. They have had to work longer hours and use personal protective equipment to protect themselves and others from the virus, which can be physically and mentally exhausting. In addition to that, the constant exposure to the Virus might have added an extra toll on their stability, as it was also exposing their family members to the yet unknown risks of the virus. As a result, many frontline workers have experienced a decline in their mental health.

The pandemic has also brought into sharp focus the fragility of life and the importance of making the most of everyday, leading some people to prioritize their health and well-being and to focus on finding a healthy balance between work and personal time.

In addition, we might add that the disruptions to normal life and this increased focus on well-being could have caused some people to shift their focus on some of the needs that they overlooked in the past. One theory of human motivation that has gained relevance in the past years is that of Maslow and his “hierarchy of needs” (Maslow, 1943). His theory comprises a five-tier model of human needs depicted as hierarchical levels within a pyramid, starting with physiological needs and moving up to self-actualization, or the realization of one’s full potential. Figure 5 is a graphical representation of this model.



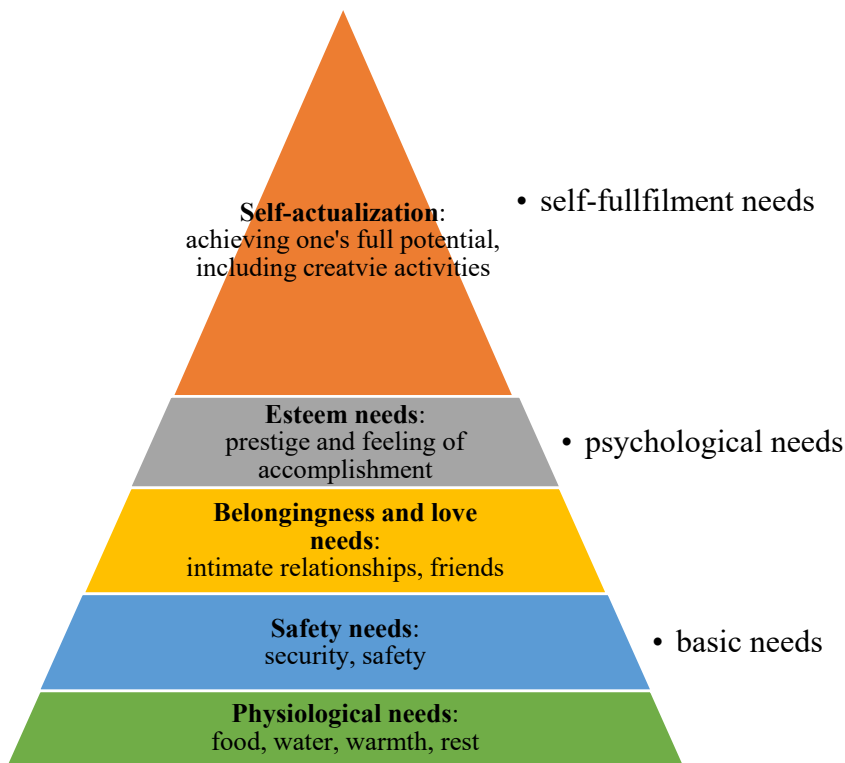


Figure 5 – Graphical representation of Maslow's hierarchy of needs

Source: Author's own representation based on (Maslow, 1943)

According to Maslow, the needs that are at the base of the hierarchy must be satisfied before an individual can attend to the needs that are higher up on the hierarchy (Maslow, 1943). The COVID-19 pandemic might have shifted people's focus to now meet their higher-level needs. Accordingly, they started to expect that also their workplace would now help them meet these newfound needs. While in fact in the past a workplace only needed to satisfy basic needs, now they are expected to help individuals meet their growth and self-fulfillment needs.

When they realized that the workplace could not help them and was not designed to help them, things started to change.

As we could see already in Figure 1, the spike in resignations in late 2020 was only the beginning. In 2021 only, more than 47 million Americans voluntarily left their job, with an average of 3.98 million people every single month, peaking in November 2021 when 4.5 million people quit. This means that 23.5% of the total US workforce resigned from their jobs in 2021 (Zippia, 2022).

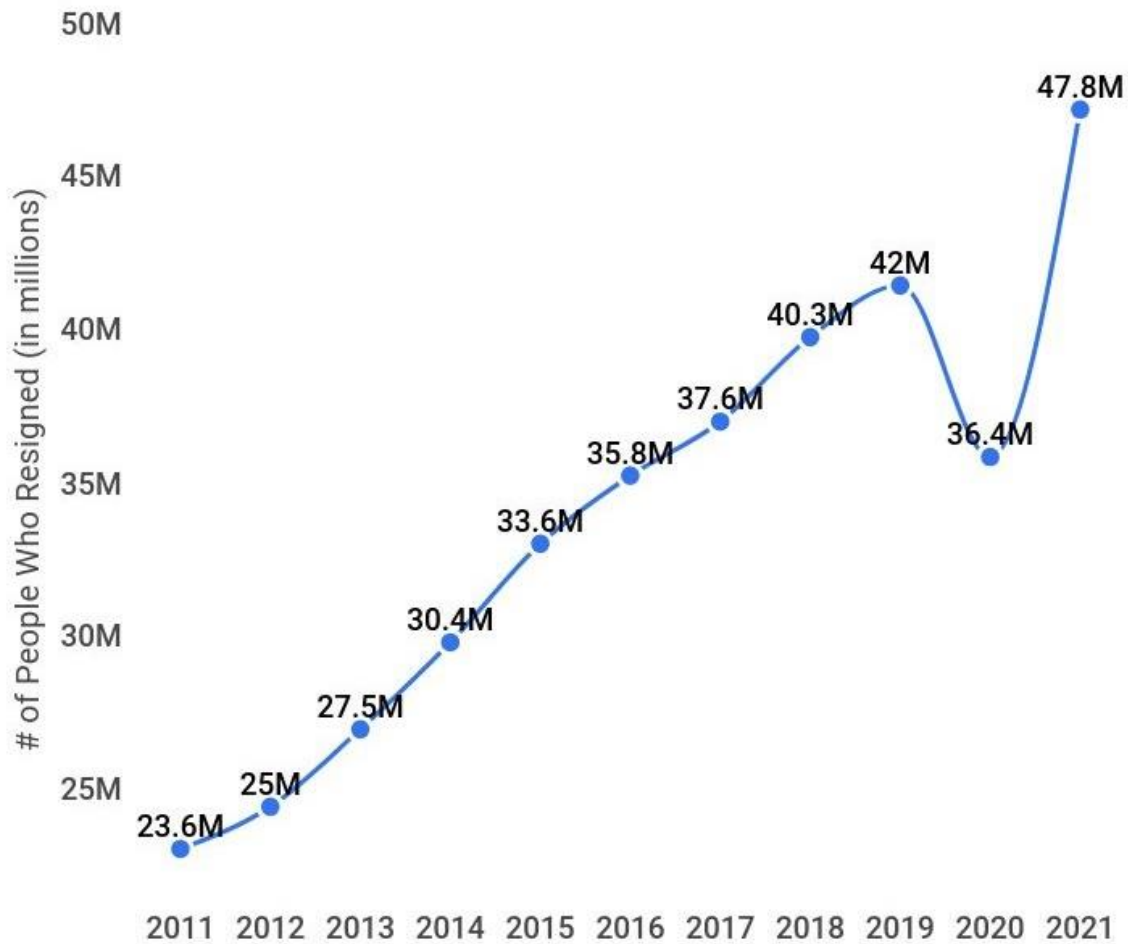


Figure 6 – Yearly resignations over time in the United States

Source: (Zippia, 2022) <https://www.zippia.com/advice/great-resignation-statistics/>

As mentioned already at the start of the chapter, the Covid-19 pandemic has only been the ultimate trigger of this phenomenon. By shedding more light on some of the more unsustainable parts of workers' lives, it helped more and more people understand what they really wanted from their life. The Great Resignation is essentially the result of this new awareness amid workers.

However, it's important to say already at this point that stress and wanting to spend more time with their families are not the sole reasons of this phenomenon. Before the end of the chapter, we will analyze all of the main reasons that workers cited for leaving their jobs during a period of time full of uncertainty.

## 1.2 Great Resignation in Italy

Despite starting in the United States, the Great Resignation phenomenon did not stop there. It has in fact been and still is a significant trend in Italy too, commonly known with the Italian name "*Grandi Dimissioni*". However, in Italy the phenomenon was a little different and was affected for example by the fact that individuals with less years of experience had more difficulty in joining the job market during the

pandemic as companies preferred workers with more years of experience and specific competences (Rusconi, 2022).

Similarly, to what happened in the rest of the world, the trend started in 2021 but kept going through all of 2022 too. In the first 6 months of 2022 in fact over 1 million total resignations were handed in. Looking at the same period in 2018, data from ANPAL shows that about 750,000 people had resigned, almost 30% less (Barbara, 2022).

The main evidence of the beginning of the phenomenon was found when the Ministry of Labor released the notes regarding the Second trimester of 2021 for its “*Comunicazioni Obbligatorie*”, which are a series of communications that both public and private employers have to send to the Ministry of Labor that then has to publish publicly. As we can see in Figure 7, similarly to what happened in the United States the resignations rate fell dramatically at the beginning of 2020, but then started to rise firstly by the end of the year and then again during the second trimester of 2021.

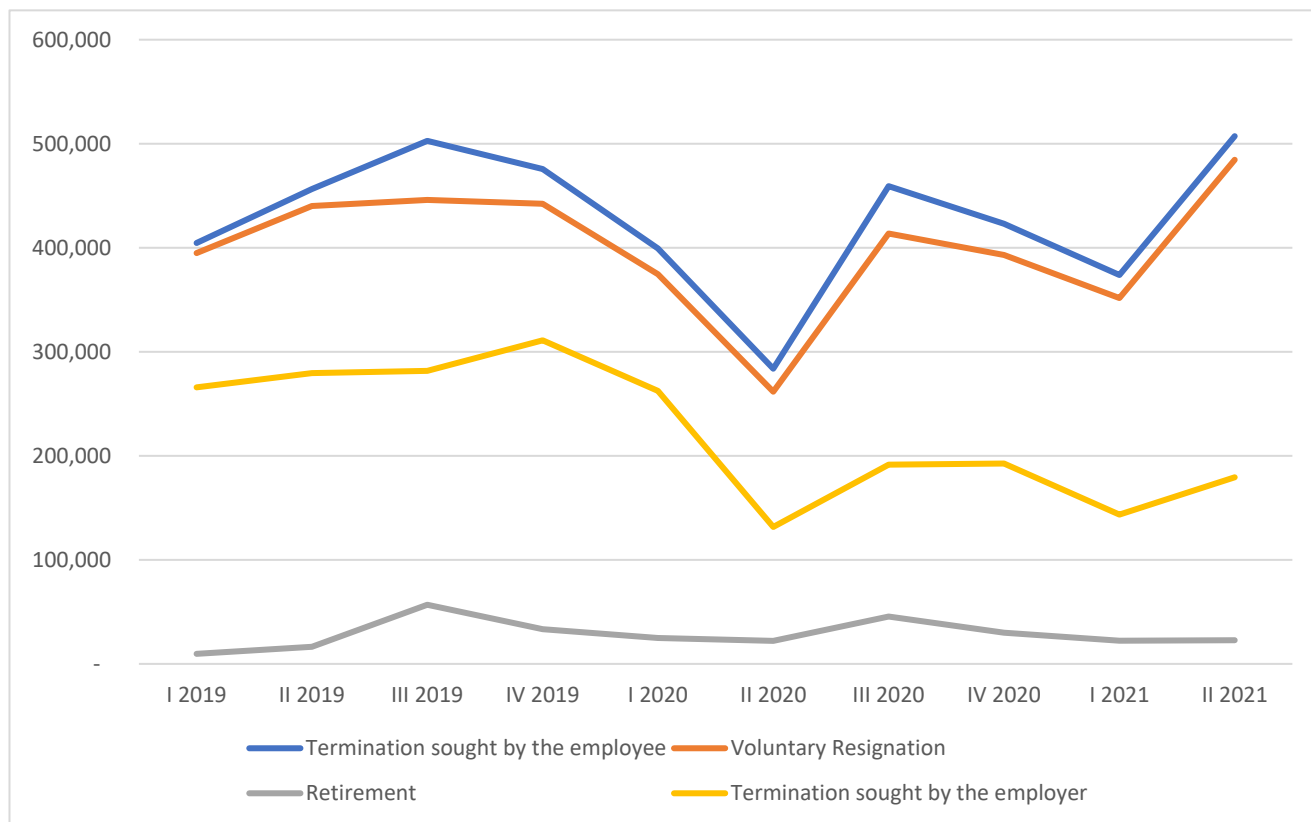


Figure 7: Total number of resignations by type

Source: author’s elaboration based on <https://www.lavoro.gov.it/priorita/Pagine/Comunicazioni-Obbligatorie-pubblicata-la-Nota-relativa-al-II-trimestre-2021.aspx>

As highlighted in the graph, the pensioning rate stayed fairly the same and thus the change in total resignations was primarily driven by the rising rate of voluntary resignations for other reasons. In addition, another very interesting data is that of terminations promoted by the employer: their rate started dropping

drastically between the first and the second trimester of 2020 and, while it began increasing later on, it still did not meet its pre-covid rate.

Figure 8 helps us better see the change in terminations. On the left side we have the terminations requested by the employee that overall decreased in 2020 compared to 2019, but then reached an all-time high in 2021; on the right side we have terminations promoted by the employer, that decreased in 2020 and only slightly increased again in 2021.

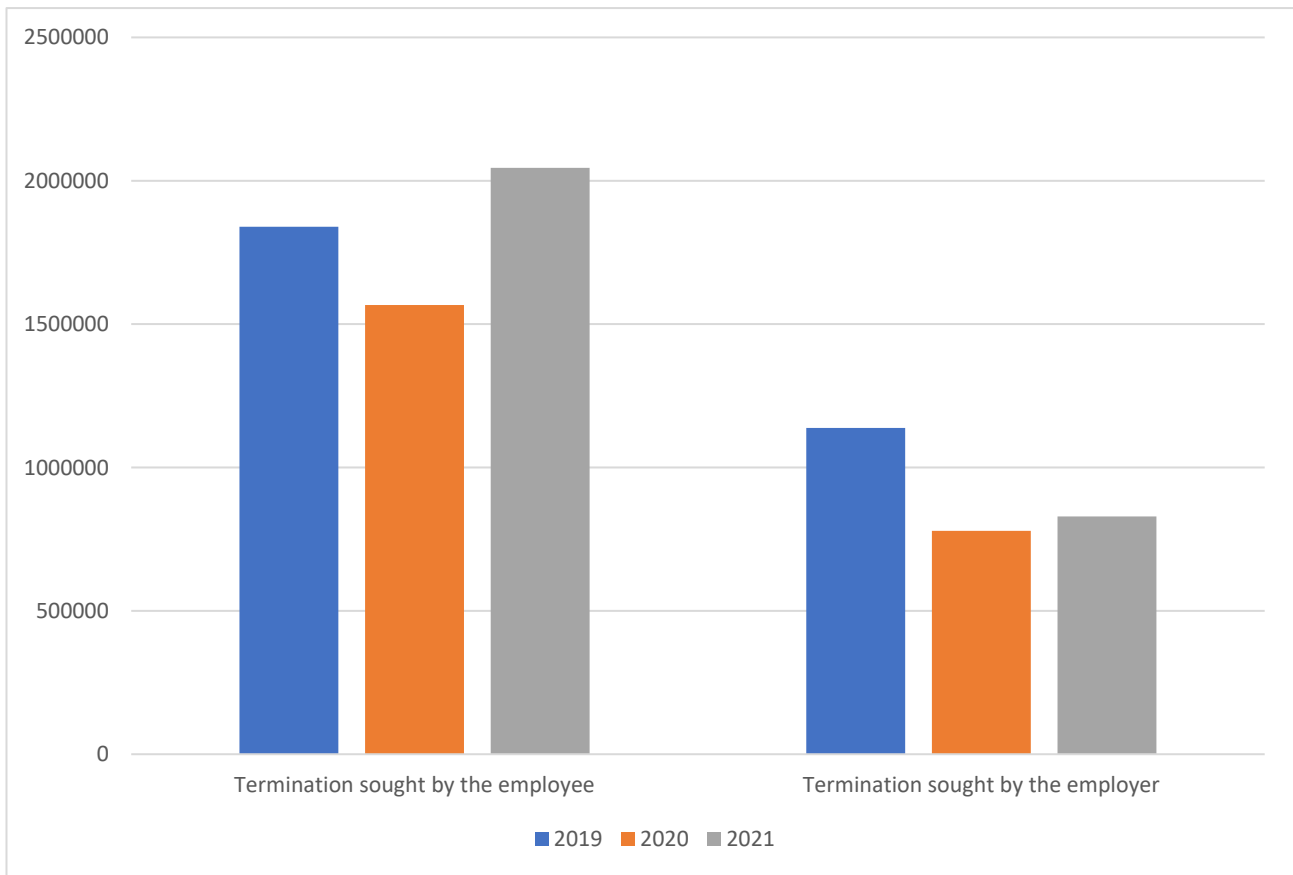


Figure 8 – Change in who sought the termination of the work contract, 2019, 2020, 2021.

Source: author’s elaboration based on <https://www.lavoro.gov.it/documenti-e-norme/studi-e-statistiche/Documents/Rapporto%20annuale%20sulle%20Comunicazioni%20Obbligatorie%202022/Rapporto-annuale-CO-2022.pdf>

Another difference that we can see between the Great Resignation in the United States and that in Italy is their peak. As previously mentioned, the peak in the United States has been reached in 2021, with a shockingly 23.5% of the total US workforce resigning during that year. After the last trimester in the United States the number of resignations started to decline again and they remained constant at around 4million per month, still much higher than in pre-covid times, but showing that the phenomenon was starting to lose steam (Ritcher, 2022).

In Italy the picture is a little different. In fact, as we can see in Figure 9, after the end of 2021 the resignations seemed to start decreasing but they increased again by the second trimester of 2022 and only decreased again during the last months of the year, however still remaining much higher than in most of 2021.

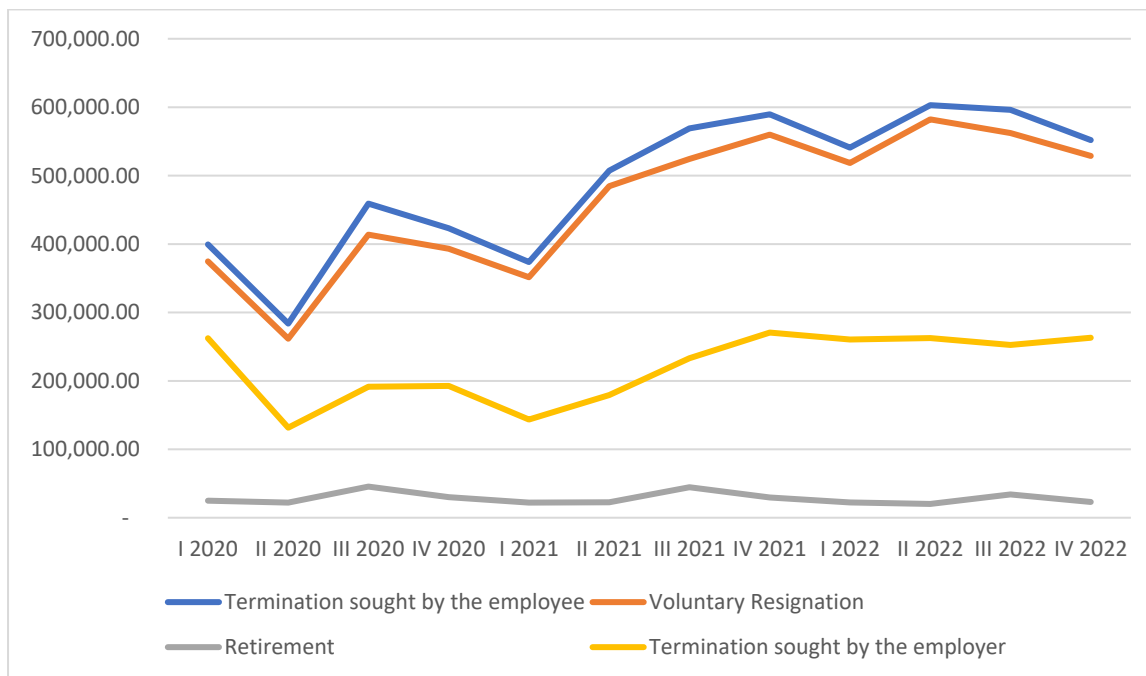


Figure 9: Number of Resignations by type.

Source: author's own elaboration based on Italian Ministry of Labor's publications "Comunicazioni Obbligatorie" for the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> trimesters of the years 2020, 2021 and 2022.

### 1.3 A Generational Issue

It is true that the resignation rates have been increasing for all generations, but there is one that, at least initially, has been the primary driver of this phenomenon: millennials.

The Millennial generation comprises people born between 1981 and 1996, therefore individuals that are between their late 20s and early 40s and that have likely entered the workforce before the beginning of the COVID-19 pandemic. When we talked about burnout rates in the United States, it was clear from Figure 4<sup>1</sup> that the rates for Millennials were much higher than those of other generations and they increased even more since the beginning of the pandemic. That might be one of the reasons why the Great Resignation has been driven by them.

<sup>1</sup> Percentage of U.S. employees who had feelings of burnout pre-COVID vs post-COVID, by generation.

However, when we look at the age of US citizens that resigned in 2021, we can see that actually the great majority of them are younger than 30 years old and thus primarily Gen Z and younger Millennials (Zippia, 2022). Globally, 36% of millennials and 53% of Gen Z respondents planned to leave their employers within two years, according to Deloitte Global's 2021 Millennial study (Deloitte, 2021). Another survey performed by Adobe confirmed the trend: 56% of the 5500 interviewees aged 18-24 said that they are planning to switch jobs in the next year, data similar to what Microsoft found (54%) (Wingard, 2021).

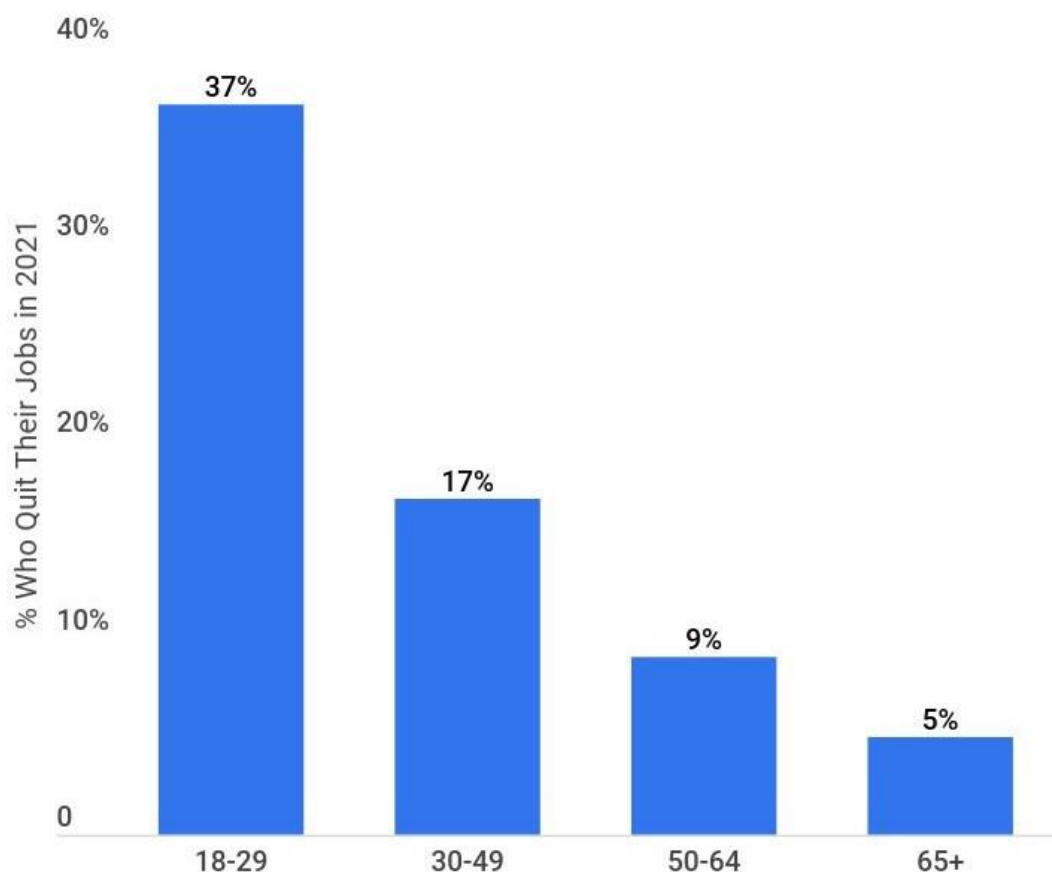


Figure 10 – Percentage of resignations in the United States by age group

Source: (Zippia, 2022) <https://www.zippia.com/advice/great-resignation-statistics/>

If we think about the fact that part of Generation Z is still not part of the labor market as they are still in school, these numbers are massive, and they seem destined to only grow more in the next few years if nothing changes in the labor market.

In Italy, however, these figures are quite different. According to a recent survey performed in several Italian companies, 44% of the analyzed companies have definitely seen an increase in their resignations in the past 12-18 months, but they have been mainly driven by Millennials (Casadei, 2022). A stunning 76% of the total resignations were from Millennials, followed by Gen X (28%), Gen Z (27%) and Baby Boomers (2%). (Casadei, 2022).

As previously mentioned, we know that one of the differences between the Great Resignation phenomenon in the United States and in Italy is that in our country workers with less years of experience, who are often the younger generations, have found a lot of difficulty in finding new jobs and thus might have been also less incentivized to leave their current one (Rusconi, 2022). In particular, we know that a great number of young people in Italy are defined as “NEET”, “Not in Employment, Education, or Training”. As can be seen by the name, NEETs are people that currently do not have a job and are not enrolled in university, school, or other kind of training. After Turkey, Montenegro and North Macedonia, Italy is the country with the highest rate of NEETs between the age of 15 to 34; in fact, more than 3 million people of this age are NEET, and approximately 1,7 million of them are females (Ministero del Lavoro e delle Politiche Sociali, 2022). These 3 million citizens represent 25,1% of Italians between 15-34 years old, which means that in that age gap 1 out of 4 citizens does not work, study, or takes part into a training program. If we look particularly at Gen Z, the situation is much worse. 1 out of 3 Italians 20-24 years old is a NEET, while for the younger Gen Z (15-19), 1 out of 10 is considered a NEET. Comparing this data with the European average is what really makes us understand the situation: for the high school age group (15-19), Italian NEETs are 75% more than the European average; in the university age group (20-24) they are 70% more than the European average (Ministero del Lavoro e delle Politiche Sociali, 2022). While in the United States the NEET rate is still above the OECD average of 14.5%, it is much lower than the Italian, with a difference of almost 10 percentage points (OECD, 2023). In addition, as we can see from Figure 11, the unemployment rate in Italy for the age group 15-24 (gen Z) is one of the highest in the world, while that of the United States is much below both the OECD and the Euro Area averages.

By looking at this data, we can now better understand why in Italy the majority of people who are resigning are Millennials rather than Gen Z, therefore we should not be surprised by this big difference between United States and our Country.

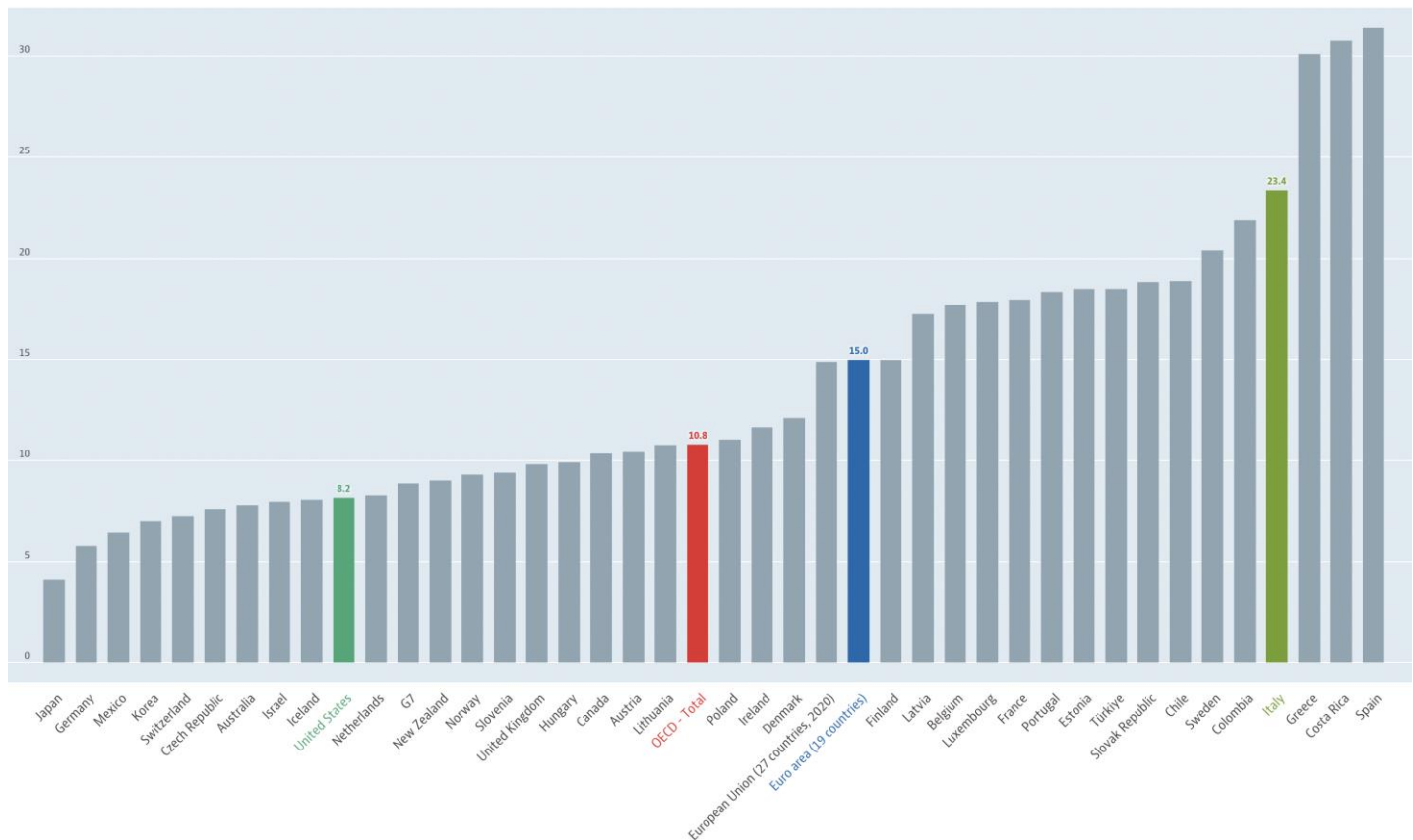


Figure 11 – OECD Unemployment rate by age group – 15–24-year-olds, % of labor force, Q4 2022.

Source: OECD (2023) <https://data.oecd.org/unemp/unemployment-rate-by-age-group.htm>

Gen Z and Millennials are quite similar in many ways, and very different from all the previous generations who did not grow up with social media. Thanks to social media, both generations always had the opportunity of sharing their opinion publicly, often forcing companies to be more responsible. This plays a key role in determining the importance that they give to how much their employer cares about certain themes such as social responsibility and inclusion.

Thanks to the similarities between these two generations, the Great Resignation phenomenon was able to take place all over the world. Even in Italy, where we see extremely high unemployment rates and enormous percentages of NEETs, a great number of people would leave their job if it meant that it could interfere with their personal beliefs and life goals.

Millennials are currently the biggest generation in the workforce, while Gen Z are much smaller and will never reach their same level. However, because of the COVID-19 pandemic, they do not seem to be following their parents' footsteps in being a "forgotten" generation (Gen X), but are rather approaching the Greatest Generation (born between 1901 and 1927): despite being a very small generation, by growing up in the new world that is being shaped by the pandemic they have the potential to have an enormous impact (Leonhardt, 2022).



## 1.4 The motivations underlying the Great Resignation

After analyzing the data on the Great Resignation phenomenon, we now can turn to the motivations behind it.

During our previous analysis, two drivers have come to light, namely the pandemic and work-related stress. We have also seen how certain generations have been more affected for example by burnout and how these same generations are the ones empowering the Great Resignation phenomenon.

While the pandemic has played a major role, it is important to recognize that the great resignation is not solely a result of the virus itself. In reality, the phenomenon is the culmination of a variety of factors that have been building for years. As can be seen in FIGURE X, the phenomenon is not a simple short-term turbulence caused by the pandemic but rather the continuation of a long-term trend (Fuller & Kerr, 2022).

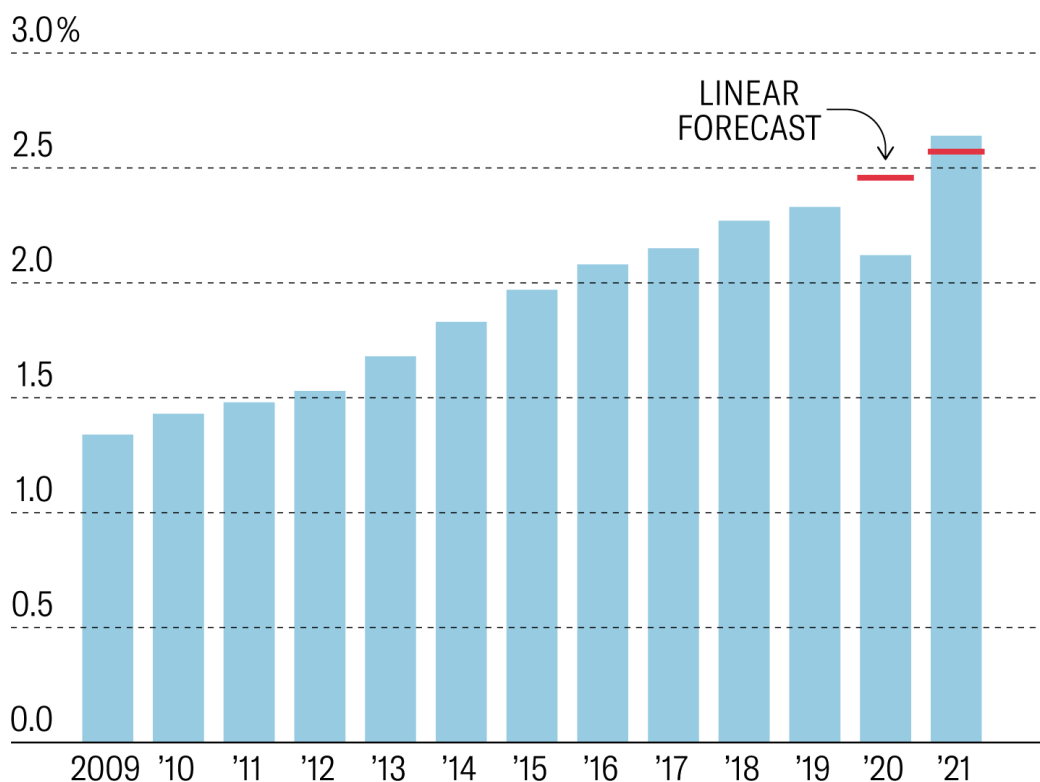


Figure 12 – US Average monthly quit data, 2009-2021.

Source: <https://hbr.org/2022/03/the-great-resignation-didnt-start-with-the-pandemic>

A great number of surveys have been published in the past months, trying to find what are the real reasons why one might want to leave their job, even if maybe they don't have another one lined up. In Table 1 you can observe a summary of the results of some of the most cited surveys performed.

Source	Reasons for Great Resignation
<b>Pew Research Center<sup>2</sup></b>	Low Pay; No Opportunities for Advancement; Felt Disrespected at Work; Child Care Issues; not enough Flexibility; Poor Benefits; Relocation
<b>Deloitte, The Great Reimagination Report<sup>3</sup></b>	Low Pay; Workplace Culture and Societal Impact; Work-life Balance; Flexibility
<b>Randstad WorkMonitor<sup>4</sup></b>	Low Pay; Poorly distributed Benefits; No work-life balance; Contractual Security; not enough Flexibility; no opportunities for growth and advancement
<b>MIT Sloan Management Review<sup>5</sup></b>	Toxic Corporate Culture; Job insecurity and reorganization; High levels of innovation; Failure to recognize employee performance

Table 1 - Summary of Reasons for the Great Resignation according to popular surveys

The first study that we analyzed is a survey performed by the Pew Research Center among U.S. adults conducted in February 2022. Here the majority of workers who quit their job in 2021 cite low pay (63%), no opportunities for advancement (63%) and feeling disrespected at work (57%) were reasons why they quit. Roughly half say childcare issues were reason they quit a job and a similar share pointed to the lack of flexibility and benefits (Parker & Menasce Horowitz, 2022).

The second study is a report from the consulting multinational Deloitte where different aspects of the Great Resignation are analyzed and explained and there are several pieces of advice for companies who are having trouble during these times. According to this report, one of the main reasons why workers leave is pay dissatisfaction and lack of benefits, similar to what was found also in the Pew Research Center survey. In addition, workers surveyed mentioned toxic workplace culture and low or no growth and development opportunities as reasons why they have or would leave the company where they are working. Of course, two other big reasons are the lack of work-life balance and a great desire for flexibility, showing us how workers need and want to be more autonomous in how they distribute their work hours during the week and their newfound interest in their personal life (Hatfield, Pearce, Cantrell, & Hogan, 2022).

The third survey has been performed by Randstad WorkMonitor; it's a survey performed in more than 30 countries to monitor workers and the transformations of the job market. A total of 35,000 interviews were performed and they found, again, as one of the main reasons why individuals left their job a low or dissatisfactory pay and lack of benefits. In addition, other very important reasons cited are the lack of a

<sup>2</sup> <https://www.pewresearch.org/fact-tank/2022/03/09/majority-of-workers-who-quit-a-job-in-2021-cite-low-pay-no-opportunities-for-advancement-feeling-disrespected/>

<sup>3</sup> <https://www.deloitte.com/content/dam/assets-shared/legacy/docs/gx-the-great-reimagination-report.pdf>

<sup>4</sup> <https://www.randstad.it/azienda/randstad-workmonitor/>

<sup>5</sup> <https://sloanreview.mit.edu/article/toxic-culture-is-driving-the-great-resignation/>

work-life balance, absence of contractual security and not enough flexibility in the workplace (Randstad, 2022).

The last research is quite different from the others, as it finds different predictors of attrition. In particular, it highlights how even though much of the media discussion about the great resignation has focused on employee dissatisfaction with wages, that only ranked 16<sup>th</sup> among all topics in terms of predicting employee turnover. The most important topic resulting to be a toxic corporate culture, followed by job insecurity and the failure to recognize employee performance (Sull, Sull, & Zweig, Toxic Culture is Driving the Great Resignation, 2022).

For the purpose of this study, we decided to focus mainly on the reasons that were found in the Randstad WorkMonitor Survey. This is for two main reasons. First of all, because of the thoroughness of the study: by interviewing around 35,000 individuals in 30 different countries, the workmonitor is able to provide us with very valuable information. The second reason is that it takes into consideration the Italian population and it can give us a better explanation of the Great Resignation phenomenon in Italy. As we have seen before, there are several differences between the phenomenon in the United States and in Italy, both because of cultural reasons and of the generally different economic landscape of the two countries.

In the following sections, we will analyze each of the reasons that are highlighted in the workmonitor more carefully.

#### 1.4.1 Salaries and benefits

The most common reason of resignation is a low salary, as was highlighted by most of the surveys that we analyzed. According to the results of the workmonitor, income is considered an important factor for 95% of the workers, however only for 68% of the interviewees their income was sufficient to cover their and their families' needs (Randstad, 2022).

In another study we learn that even before the pandemic, nearly half of millennials globally cited pay dissatisfaction as a reason for leaving their current employer (Hatfield, Pearce, Cantrell, & Hogan, 2022).

In addition, we can see a big difference between Italian workers and their colleagues abroad: only 19% of Italian workers have seen an increase in their income, compared to the global average of 36%. In particular, as is shown in Figure 13, we can see for example if we only focus on the tourism industry how wages significantly dropped in 2020 and, despite increasing again in 2021, they did not go back to their pre-covid levels. By looking at this data, it becomes extremely plausible that 33% of Italian workers decided to leave their job exactly because of the low wage (Randstad, 2022).



Figure 13 – Average monthly salary of employees in the tourism industry in Italy from 2019 to 2021 (in euros).

Source: (Federazione delle Associazioni Italiana Alberghi e Turismo, 2022) <https://www.statista.com/statistics/706434/monthly-salary-of-employees-working-for-tourism-industry-italy/#:~:text=In%202021%2C%20the%20average%20salary.in%20March%2C%20at%20649%20euros.>

There are a number of research and studies that link together a higher pay with better productivity of workers. For example, Emanuel and Harrington find that the productivity response to higher pay yields a net positive return and an estimated 80% of the improvement in turnover arises from workers' behavioral responses to higher pay (Emanuel & Harrington, 2020). An older study instead states that programs such as employee benefit programs have a greater impact on work-motivation than on productivity, which means that workers will be more motivated to do their job and do it good but at the same time their productivity is not going to increase at the same rate (Hong, et al., 1995).

To not leave their job, workers' motivation to stay and to perform their tasks shall be high. Even though money is not the only motivator that exists, it has been proved multiple times that for most people it definitely is a great motivator. Of course, pairing it together with non-monetary benefits is a very good decision and still has a high impact on motivation.

#### 1.4.2 Work-life balance and Mental Health

As we mentioned numerous times already, because of the pandemic many people have found a new interest in their private life and their mental health. In particular, a great number of workers now prefer having more

time to devote to their personal interests or their family. In the Workmonitor survey, work-life balance is considered an important factor for 95% of their interviewees, the same amount of people who also considered salary to be an important factor. However, despite the fact that 59% of workers would reject a job that does not compensate work-life balance, 17% of the interviewees still mention that their current job does not allow for any work-life balance (Randstad, 2022).

According to a study performed in Germany and Switzerland, the Covid-19 pandemic worsened both the work and the private life of 30% of the interviewed employees. This negative impact was mainly associated with mandatory short-time work, while people who worked from home have actually seen some positive impact on their work and private life (Tusl, Brauchli, Kerksieck, & Bauer, 2021).

As we can see in Figure 8, the number one consequence of working from home during the Covid-19 pandemic was a better work-life balance. Even though in the graph we can see that some consequences have been more negative, this increase in work-life balance is great news.

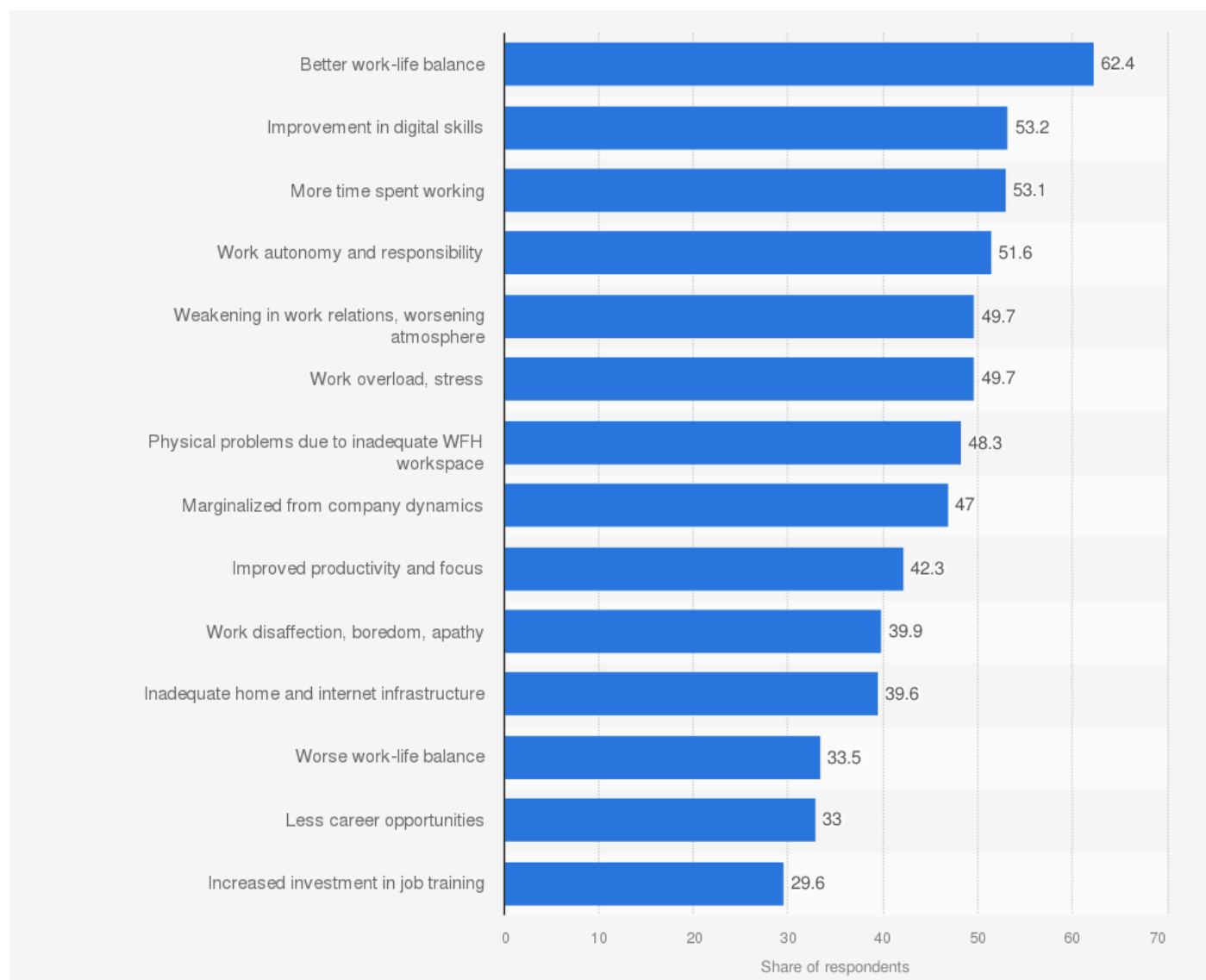


Figure 14 – Main Consequences of working from home on selected work aspects during COVID-19 pandemic in Italy as of April 2021

Why is Work-life Balance (WLB) so important? Research shows that while rewards and compensations have a strong influence on organizational performance, they are only second to the practice of WLB and this also has a positive relationship with employee retention (Too & Kwasira, 2017). In addition, it has also been proved that WLB is positively associated with job and life satisfaction, and at the same time negatively related with anxiety and depression, showing us a great relation between the practice and employees' mental health (Haar, Russo, Sune, & Ollier-Malaterre, 2014).

It is in fact extremely crucial to mention that the Great Resignation as a movement represents in fact a mental health crisis. A great percentage of the employees that stayed employed during the initial phases of the pandemic have seen their work responsibilities increase without any additional pay and with the stress that the pandemic brought to everyone. This resulted in feelings of exhaustion and sometimes burnout, which led many workers to rethink their career choices and eventually leave their workplace. In a recent interview, PHD Mary Marzec says she believes that many people are leaving their jobs because something about their current role is significantly decreasing their mental health and wellbeing (Marzec, 2022). In addition, one study found toxic culture to be one of the primary drivers of the Great Resignation phenomenon, thus exposing the opportunity for leaders to listen to their people and create a mentally healthy culture based on their needs and priorities (Sull, Sull, & Zweig, 2022)

#### *1.4.3.1 The Quiet Quitting Phenomenon*

While trying to find more WLB, several workers gave rise to another phenomenon that accompanied the Great Resignation: Quiet Quitting. The name of this phenomenon appears to have originated from a video on the social media platform TikTok of March 2022, where a career coach and YouTuber showed an article talking about how many workers decided to take it easy at work rather than straight up quit their jobs. He captioned the video “more people are ‘quiet quitting’ instead of living”, and the term gradually started to travel across the social media to then become viral in July 2022 (Marsden, 2022).

Despite what the name might sound like, quiet quitting is not about leaving a job without letting the employer know. Rather, quiet quitting is about still showing up to work and getting things done, but not going above and beyond. By giving this phenomenon a name, employers managed to enhance even more the workism culture that is very strong not only in the United States but now in most parts of the world. This is because people who “quiet quit” and thus simply do the bare minimum at their job are now seen as “lazy” or entitled as the CEO of EZPR highlights. We shall remember that “the bare minimum is still doing the hours that you are meant to and the tasks that you’re assigned, which is otherwise known as going to and doing your job” (Zitron, 2022).

The rise of this phenomenon sheds more light on the fact that an increasing amount of workers need more time for their private life and do not want to put their work at the center of their lives. In order to retain workers, companies need to truly understand this shift of mentality that is particularly dear to Millennials and Gen Z.

#### 1.4.4 Job Security

A great percentage of surveyed workers (91%) believe that having a secure and direct contract with an employer is important. Among the survey sample, 80% of workers have an indefinite contract and 79% of them feel safe in their jobs, showing the strong correlation that exists between having a secure job contract and feeling safe (Randstad, 2022). Another interesting data that comes up is that for 66% of surveyed workers, the absence of a secure contract would be the reason for declining a new job offer, and it is actually the primary reason for considering a voluntary resignation, even more so than a significant increase in salary.

According to recent data, in Italy the people that are working but do not have a regular contract are approximately 3.2 million and represent the 12.6% of all employed people (ANSA, 2022). The problem of unregulated workers is present all over the country, but with a stronger concentration in the South of Italy and in sectors such as that of hospitality, but also in the construction and agriculture sectors. The great percentage of unemployment present in the country leads a great number of people to choose even unregulated forms of work, but they do not contribute to a general sense of security of the worker and are mainly seen as temporary occupations. Having a constant feeling of one's job to be temporary gives little to no stability and can be detrimental to one's mental health, causing waves of stress.

In addition, research shows that there is strong evidence of association between job security and employee retention, which seems to be trivial given the socio-economic stability and psychological well-being of employees that is associated with a stable environment (Samuel & Chipunza, 2009).

#### 1.4.5 Learning Development and Opportunities

While training and professional development is not a top priority, it is still considered a significant aspect of the job by 80% of workers surveyed, but only 65% of them find that this is reflected in their actual learning environment with a difference of 15% between the desire for learning and the opportunity to do so (Randstad, 2022). A Deloitte report also argues that employees want to learn and grow in their positions, and most importantly they want to contribute to areas that are important to them (Deloitte, 2021). Employees tend to value continuous learning and development opportunities, as it not only helps them advance in their current roles, but also prepares them for future career opportunities. Furthermore,

companies that invest in their employees' professional development often see a positive impact on employee engagement and retention.

As highlighted by a study, among other intrinsic motivational variables, training and development significantly influence retention amongst employees in both private and public sectors (Samuel & Chipunza, 2009). This result was also consistent with previous research that found training and development as one of the greatest strategies to retain the best employees (Smit & Cronje, 2002). This highlights the importance of creating a culture of learning within the workplace and providing employees with the resources and support they need to continuously grow and develop.

## 1.5 The Great Resignation consequences

Thanks to the throughout analysis that we just developed; it is now easier to understand that the Great Resignation phenomenon is something that we cannot ignore. Despite starting in the United States because of cultural elements such as “workism”, it is now present all over the world and it showed us the fragility of the job market. With its spread across a great number of industries globally, it really is highlighting the numerous problematics that are present in the job market. The consequences of this phenomenon are not trivial, and they are different for both workers and companies.

For workers, the Great Resignation may represent an opportunity to pursue new career opportunities or personal goals that were previously out of reach. However, it can also come with risks and uncertainties, such as the need to find a new job in a challenging economic environment or the possibility of taking a pay cut or accepting less favorable terms and conditions. Additionally, the pandemic has disrupted traditional career paths and created new opportunities in sectors that have been impacted differently by the crisis, which may require workers to adapt and acquire new skills.

For companies, the Great Resignation can represent a significant loss of experienced and skilled workers, which can have negative consequences for productivity, efficiency, and competitiveness. As emphasized by many studies, a great number of resignations can harm organizational effectiveness by creating some new and unnecessary costs, which can be divided into separation, replacement, and training costs (Tessema, Tesfom, Faircloth, Tesfagiorgis, & Teckle, 2022). At the same time however, we shall highlight that phenomena like The Great Resignation and Quiet Quitting can definitely represent opportunities for companies to reassess their workplace policies and practices and to offer more attractive work arrangements to retain top talent, ultimately improving their workers' experience.



## Chapter II: Existing literature on the use of Talent Management

Before diving into our empirical study on whether or not the use of talent attraction and retention practices can help companies cope with the Great Resignation phenomenon, we decided to explore the literature that already exists on these practices.

In this chapter, we will present best practices for attracting and retaining talent in the industry and discuss any challenges or limitations in implementing them.

The chapter begins with an overview of the concept of Talent Management and its relevance in the current job market. It then delves deeper into the specific ways Talent Management practices can address the Great Resignation phenomenon.

Next, the chapter explores the concepts of talent attraction and retention, which are critical to the success of any Talent Management strategy. The section provides definitions for these terms and examines existing literature from various industries to understand how Talent Management practices can help organizations effectively attract and retain top talent.

Lastly, the chapter concludes with a focus on the hospitality industry in particular, taking a closer look at previous studies on the use of Talent Management practices within this sector. Through this literature review, this chapter aims to provide a comprehensive understanding of the benefits and challenges associated with the use of Talent Management practices in attracting and retaining employees.

### 2.1 The use of Talent Management as a possible solution to the Great Resignation

After a deeper analysis on the Great Resignation phenomenon, we now turn to the purpose of this study, which is that of identifying a possible solution to the problems that the phenomenon is causing in terms of turnover rate.

In particular, we are hypothesizing that the use of talent management practices, in particular regarding talent attraction and retention, could potentially help companies cope with the phenomenon.

These practices can play a key role in addressing all the issues that we have been mentioning so far and that have led to the Great Resignation phenomenon. They are in fact especially designed to attract, develop, and retain employees that will become a more engaged and motivated workforce, less likely to leave their jobs.

Regarding the talent attraction practices, one of the key aspects is surely recruitment and selection. Companies need to develop an effective recruitment and selection process that can help them identify and attract the best candidates for their open positions, possibly including target advertising, collaborating with schools, and using employee referral programs. By ensuring that they are attracting the best talent and making their employees understand their worth, companies can create a more engaged and motivated workforce.

After attracting talent, it is crucial to retain it, and this is where talent retention strategies come into play. Companies in fact need to create a supportive and engaging work environment that values and recognizes employees' contributions. This can be done through the use of competitive salaries and benefits, growth, and development opportunities, but also through the promotion of a more healthy and positive culture.

While we believe that talent management practices are crucial to the battle of companies against the Great Resignation consequences, we also know that them alone may not be enough to address all of the challenges that are present in the Italian job market. There are in fact systemic issues related to low pay, job insecurity, and poor working conditions that need to be addressed at a broader level.

However, with this study we aim to understand whether using these practices can effectively help companies cope with the consequences of the Great Resignation phenomenon.

## 2.2 Talent Attraction and Retention

Talent management practices are becoming increasingly important in almost all kinds of industries, particularly as companies seek to attract and retain top talent in a highly competitive job market. While talent management practices may not have been widely used in all industries in the past, they are now being recognized as an essential tool for addressing the challenges facing the job market, including high turnover rates and a shortage of skilled workers. This is particularly relevant for our post-covid pandemic time period, where the Great Resignation phenomenon has been affecting a wide variety of industries and in particular the hospitality one.

Recruitment and selection practices are particularly important in industries where companies need to attract and hire the best talent in order to provide a high level of service to customers. Many companies in these industries are now using targeted recruitment campaigns, online job boards, and social media to reach out to potential candidates and build a strong talent pipeline. In addition, companies are using innovative selection methods such as behavioral interviews, simulations, and assessments to identify the best candidates for their open positions. It is important to mention however that while big chains are able to use these new practices, many smaller businesses are still relying on old recruitment and selection methods. This is particularly true in Italy, where a vast majority of the existing companies are classified as SMEs<sup>6</sup>.

Employee development and training is another key aspect of talent management. Companies are increasingly investing in training and development programs to help their employees build the skills and knowledge they need to perform their jobs effectively. These programs can include on-the-job training, mentoring, and coaching, and online and classroom-based training programs. By providing ongoing

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<sup>6</sup> Small and Medium Enterprises

development opportunities, companies can help their employees stay motivated and engaged, while also building a more skilled and knowledgeable workforce.

Retention strategies are also becoming increasingly important, particularly as companies seek to reduce turnover rates and retain their top talent. Companies are now offering a range of incentives and rewards to retain their employees, including competitive compensation packages, flexible working arrangements, and opportunities for career growth and development. In addition, companies are fostering a positive work environment that promotes work-life balance, team-building activities, and recognition and rewards for employee achievements.

### 2.2.1 Definitions

For the purpose of our study, we shall give a clear definition of what we mean by talent, talent attraction and talent retention.

The first term that we are going to analyze is “talent”. While talent is a very common word in our modern language, we need to specify what we mean by talent in the workplace. A great number of researchers have provided definitions of this term from a range of perspectives, but we shall highlight that the concept of talent can and does change with respect to the context in which we are analyzing it. One article in particular is worth mentioning regarding the definition of talent, which was published in 2011 by Carole Tansley, professor emerita of HR Innovation at Nottingham Trent University in the United Kingdom. In her paper, she comes to the conclusion that there is not a unique or universal definition of talent; in particular, she highlights that we need “a balanced view of talent as both innate and learned, with the introduction of creativity as a specific element of talent and the importance of the environment seen as having an influence on the development of talent” (Tansley, 2011). From this definition, we can already observe the more modern idea that talent is not only innate, but rather that it can be cultivated and the organization in which we are working can be responsible for its growth. According to other authors on the other hand, talent is something intrinsic, that bolsters itself and does not require appreciation from others, or more in general an innate potential that makes the talented people those who are capable of making the greatest difference in a firm (Pruis, 2011) (Chartered Institute of Personnel and development, 2007).

A more comprehensive definition that does not inquire whether or not talent is intrinsic, is that it represents the best people for a specific job in an organization and who would contribute the most to the achievement of the organization’s strategic goals (Poorhosseinzadeh & Subramaniam, 2013).

In industries such as hospitality, talent is particularly important because it can directly affect the guest experience, which is definitely one of the most critical success factors for businesses in this sector. As author of the book “Talent Management in Hospitality and Tourism” Susan Horner suggests, talent in this industry does not simply entail the hard skills needed to perform a certain job, but also soft skills such as communication and other important attributes, for example creativity and adaptability (Horner, 2017).

After analyzing the concept of talent, we can now turn to the meaning of talent management, which is what comprises talent attraction and retention, the main objects of our study. Again, talent management is an extremely common expression in our modern language, and it is widely used, both in academic literature and in more informal settings. Despite this, there has been very little agreement on a clear definition of talent management, what it is and what it entails. The challenge in identifying a precise and cohesive definition for talent is indicative of the primary dispute in the field of Talent Management. This argument centers around whether TM is an all-encompassing strategy that caters to all employees, or rather a more selective approach that targets the recruitment and retention of a particular group of employees.

In Table 2, we illustrate a series of definitions of talent management that were found both in academic literature and in more broadly accessible sources, so as to see their main differences and most importantly how talent management is perceived in academia versus in the workplace.

SOURCES	DEFINITION
<b>(SCHWEYER, 2004)</b>	“Talent Management includes sourcing, screening, selection, retention, development and renewal of the workforce with analysis and planning.”
<b>(BLASS, 2007)</b>	“Talent Management refers to the additional management, processes, and opportunities that are made available to people in the organization who are considered talent”
<b>Van Dijk (2008)</b>	“Talent Management can be defined as the strategic integrated approach to managing a career from attracting, retaining and developing to transitioning the organization’s human resources.”
<b>Ehrnrooth (2010)</b>	Talent Management refers to an organization’s efforts to attract, develop and retain talented key employees.
<b>Aghina, De Jong &amp; Simon (2011)</b>	Talent Management isn’t simply about hiring the best. It’s about managing talent appropriately through selection, recruitment, development, and rewards.
<b>Gallardo-Gallardo And Thunnissen (2016)</b>	Talent management is aimed at the systematic attraction, identification, development, engagement/retention, and deployment of high-potential and high-performing employees to fill in key positions which have significant influence on the organization’s sustainable competitive advantage.

<b>Forbes</b> <sup>7</sup>	Talent management enables organizations to attract and retain talent in the long term. It encompasses development opportunities and strategies that motivate teams to be at their best performance.
<b>Gartner</b> <sup>8</sup>	Talent Management is the attraction, selection, and retention of employees, which involves a combination of HR processes across the employee life cycle. It encompasses workforce planning, employee engagement, learning and development, performance management, recruiting, onboarding, succession, and retention.
<b>Opm U.S. Office Of Personnel Management</b> <sup>9</sup>	Talent management is a system that promotes a high-performing workforce, identifies, and closes skills gaps, and implements and maintains programs to attract, acquire, develop, promote, and retain quality and diverse talent.

Table 2 – Definitions of the term “Talent Management”

By looking at these definitions, we can already learn that there are different views on what talent management truly is. In particular, as highlighted also by McDonnell and Wiblen in their book “Talent Management, a Research Overview”, talent management can be seen as management of designated individuals, similar to Human Resources Management, or as a set of practices (McDonnell & Wiblen, 2021). What is truly interesting however is that while the majority of the definitions that we found in academia see TM as either similar to HRM or as management of designated individuals, the more recent and accessible sources see it as a set of practices that should be applied to all employees.

We believe that this should be the main characteristic of Talent Management, especially in an industry such as the one that we are analyzing. This is because, as we have previously mentioned, the quality of the customer experience and thus the success of organizations in this sector are directly impacted by the performance and engagement of employees. By applying talent management practices to all employees and not only a handful of them can definitely help create a culture of continuous learning and development which can possibly lead to improved employee satisfaction and retention.

### 2.2.2 Previous studies on the use of talent management practices in the hospitality industry

For the purpose of this literature review, we have decided to analyze a number of academic papers that have as their main topic the use of talent management practices, in particular in the hospitality industry which is the one that we have decided to use as a focus point for our empirical study. We have selected six

<sup>7</sup> <https://www.forbes.com/advisor/business/what-is-talent-management/>

<sup>8</sup> <https://www.gartner.com/en/human-resources/glossary/talent-management>

<sup>9</sup> <https://www.opm.gov/policy-data-oversight/human-capital-framework/talent-management/>

papers, all of which have the hospitality sector as their main focus except for one that is a more general review of talent management across different industries.

We will now firstly analyze the main concepts highlighted in each of these articles, to then summarize their similarities and differences regarding both the specific practices to use and the challenges that are linked to the use of Talent Management in this industry.

The first article that we chose is a very recent one, only published in January 2023 in the journal of Industrial and Commercial Training. The first thing that is highlighted in this article is how little Talent Management and its practices have been studied in academia, and how difficult it still is to find a common definition and practices. After performing a careful literature review, the authors identify seven core functions of talent management, namely talent planning, talent identification, talent attraction, talent acquisition, talent development, talent deployment and talent retention. For the purpose of this study, we will only focus on talent attraction and talent retention. They also identify some key themes and practices that emerge from the literature, which include the need for effective communication and feedback, the importance of aligning talent management with organizational strategy and the big role that leadership plays (Yildiz & Esmer, 2023). This article in particular was the only one that was not focuses solely on the hospitality industry, however the authors mentioned the importance that talent management has in this sector.

The second study in analysis is a doctoral study by Hauwa Dogonyaro, whose main purpose was to understand what are the strategies that in particular hotel managers use to retain their employees. He underlines that high turnover is a prominent characteristic of the hospitality sector and it can be attributed to the very challenging and stressful nature of work, which often results in burnout and dissatisfaction. He believes that retention strategies are crucial to battle this phenomenon, as they will not only reduce turnover but also enhance the performance and profitability of the organization. Among the strategies that he identifies, a positive organizational culture is the most prominent one. In particular, creating a culture that promotes employee engagement, empowerment and growth is critical to retain the most talented employees. To create this culture, Dogonyaro suggests that companies of the sector should provide ongoing training and development opportunities, recognizing and rewarding employee contributions and most importantly creating a positive work environment (Dogonyaro, 2021).

The third paper in analysis is a study from 2019 on talent management practices specifically in luxury hotels. This study was performed across four countries, namely Greece, the UK, China and the UAE and it identified a series of attraction and retention strategies that should be implemented in the industry. In particular, the authors believe that using social media and employee referral programs are some of the greatest ways to attract potential talented employees, together with offering competitive salaries and benefits and providing constant opportunities for personal and professional development. Among the retention strategies, training and development were still found to be great strategies but needed to be paired

up with a supportive work environment and recognition and reward programs. The authors also identify some challenges in the implementation of talent management in this industry, mainly given by the fact that there is a general lack of awareness and understanding of its importance (Marinakou & Giousmpasoglou, 2019).

As we have previously mentioned, talent management is applicable to many, if not all, the different work sectors. However, it is true that the context of hospitality can be considered an extreme one, given the high turnover rates and the general dynamism. This is something that was remarked in an article from 2022, where the main purpose of the authors was to see how talent management practices changed in this sector after the Covid-19 pandemic. In particular they identified several practices that are unique to the hospitality sector, including emphasizing employee engagement and empowerment and providing ongoing training and development opportunities. They also add the importance of effective communication and collaboration as key aspects of talent management in the industry. Again, as challenges in the implementation of these practices they highlight the high degree of turnover, but also the difficulty in identifying and assessing talent in such a fast-paced and dynamic environment (Mousa, Arslan, & Szczepańska-Woszczyzna, 2022).

Despite still being focused on talent management in the hospitality industry, the last two articles that we will take into consideration are in some ways different from the others. The first one in fact seeks the reimagining of the response from companies of this sector the problems such as the high turnover rates, while the second focuses more on the response after Covid-19 to these same problematics.

The authors of the former note that a multilevel perspective is necessary to understand all of the factors that influence attraction and retention of talent in the hospitality industry. They suggest that this perspective should consider individual-level factors, such as career aspirations, together with organizational-level factors, such as culture and leadership style. Among the main strategies found, we can mention the creation of opportunities for career advancement, the possibility of being more flexible in one's work arrangement, and a general positive work culture that emphasizes work-life balance and employee well-being (King, et al., 2021).

As we have just mentioned, the very last paper focuses instead on the impact that the pandemic has had on the hospitality industry and how to retain talented employees in this very difficult situation. The author identifies as response strategies the implementation of safety measures to protect the employees from the virus, but also ongoing training and development opportunities and a supportive work culture that emphasizes well-being and work-life balance. Another practice that is considered extremely important is effective communication and transparency from the employer, which is definitely a key factor in the permanence of talented employees (Salem, Aideed, Alkathiri, & Ghazi, 2022).

In Table 3, we have summarized the main findings from the previous studies in terms of the precise practices that should be used in the hospitality industry regarding talent attraction and retention.

	Communi- cation	Feedback	Good Leadership	Alignmen- t with Organiza- tional Goals	Positive organiza- tional culture	Training and develop- ment opportu- nities	Recogni- on and Rewards	Referral programs	Competi- tive Salary	Flexibilit- y
<i>(Yildiz &amp; Esmer, 2023)</i>	X	X	X	X						
<i>(Dogonyaro, 2021)</i>		X			X	X	X			
<i>(Marinakou &amp; Giousmpasoglou, 2019)</i>					X	X	X	X	X	
<i>(Mousa, Arslan, &amp; Szczepańska-Woszczyńska, 2022)</i>	X					X				
<i>(King, et al., 2021)</i>			X	X	X	X				X
<i>(Salem, Aideed, Alkathiri, &amp; Ghazi, 2022)</i>	X				X	X				

Table 3 - Talent Management Practices

As you can see, there is not a single practice that unifies all of these studies, however there are some particular practices that seem to be more relevant as they are present in the majority of the analyzed papers.



In particular, we see that Training and Development opportunities are often mentioned as a particularly effective retention strategy, followed by a positive and healthy organizational culture that promotes employees' wellbeing and mental health.

Surprisingly, the use of a competitive salary is not one of the most mentioned practices, despite the fact that at least in the Italian hospitality sector the low wages are one of the main reasons why a great number of people do not wish to be employed in the industry.

Another factor that was only mentioned in one paper is the ability of making one's schedule more flexible. Flexibility is definitely not common in jobs such as those in the hospitality industry, however it is surprising to see that only one of the studies mentions it despite it being one of the most followed trends in the post-covid workplace.

We have additionally decided to summarize the challenges identified in implementing talent management practices in the hospitality industry, as can be seen in Table 4. One common challenge is the high turnover rate that characterizes the industry. While in fact the average rate for most industries is 10-15%, the turnover rate in hospitality has been estimated to be closer to 80% according to the US Bureau of Labor Statistics. Another interesting challenge is the lack of awareness of the importance of talent management. As we have mentioned before, a vast majority of Italian businesses in the sector are small family-run businesses where talent management is not a known practice and is not widely used. This highlights even more the importance of informing companies of this practice and of how much it can potentially help them in coping with the Great Resignation phenomenon.

	Dynamic workplace	High Turnover Rate	Difficulty in Identifying Talent	Lack of Awareness of the importance of TM
<i>(Yildiz &amp; Esmer, 2023)</i>			X	X
<i>(Dogonyaro, 2021)</i>		X		
<i>(Marinakou &amp; Giousmpasoglou, 2019)</i>		X		X

<i>(Mousa, Arslan, &amp; Szczepańska-Woszczyzna, 2022)</i>	X	X	X	
<i>(King, et al., 2021)</i>	X	X		
<i>(Salem, Aideed, Alkathiri, &amp; Ghazi, 2022)</i>		X		

*Table 4 - Talent Management Challenges*

## Chapter III: The Empirical Analysis

### 3.1 Context: the Italian Hospitality Industry

For the purpose of this dissertation, we have decided to focus in particular on one of the most vital sectors of the Italian economy, the hospitality industry. The hospitality industry encompasses business that provide services such as accommodation, food and beverage, entertainment, and is strictly linked to tourism. This sector is extremely vast and comprises a great range of businesses, including hotels, restaurants, cafes, bars, nightclubs, and other related establishment. In Italy and many other European countries such as Belgium and the Netherlands it is often referred to as “Ho.Re.Ca”, an acronym for Hotels, Restaurants and Cafes. However, for the purpose of this study we shall still use the term “hospitality” as it is more broadly adopted, especially in the United States where the term Ho.Re.Ca does not exist.

This sector is mainly focused on providing accommodation, food, and drink services to customers, and it is one of the most important sectors of the global economy, generating significant revenue and employment opportunities in countries around the world. In the United States alone, more than 15 million people are employed in this industry according to the National Bureau of Labor Statistics, approximately 5% of the population (Bureau of Labor Statistics, 2022).

In Italy, tourism represents one of the most important contributions to the country’s economy and in 2017 it accounted for 13% of the National GDP and employed almost 15% of the total workforce (OECD, 2021). Italy’s tourism industry is one of the most significant in the world, with millions of tourists visiting the country every year to experience its rich culture, history, and natural beauty. In pre-pandemic times, according to ISTAT approximately 65 million tourists visited the country, making Italy the fifth most visited country in International Tourism arrivals and only second after Spain in terms of most nights spent in hotels (ISTAT, 2020).

The hospitality sector plays a key role in the country’s economy, as it is one of the primary drivers of tourism and an essential source of revenue and employment for millions of people. It is comprised of a vast array of businesses, ranging from small family-run restaurants to large international hotel chains.

The accommodation subsector of the hospitality industry is a vital component of the country’s economy, with hotels and other lodging establishments providing temporary accommodation to the millions of visitors to the country every year. These businesses range from small independent hotels and guesthouses to large chains that offer luxurious accommodations and amenities. The majority of these hotels are located in popular tourist destinations, such as Rome, Florence, Venice, and Milan.

The food and drink subsector also plays a key role in the national economy, with restaurants, cafes, bars, and other establishments providing a diverse range of cuisine and dining experiences to visitors and locals alike. The Italian cuisine is renowned for its quality, diversity, and authenticity, and many of the world’s most famous dishes and culinary traditions originated in Italy.

Despite the great importance and impact on the national economy, the Italian hospitality sector faces a great deal of challenges. One of the most pressing issues is the treatment of workers in the industry, who often face low pay, poor working conditions, and a lack of job security. According to recent data, the average annual salary in the hospitality industry is less than 28,000 euros, which is well below the national average of approximately 30,000<sup>10</sup>. In particular, entry level positions on average have a starting salary of less than 20,000 euros and this data leaves out the salaries from those who do not have a regular working contract but are still working in the industry.

Among those who have a contract, many workers in the sector are on temporary ones, such as the extremely popular seasonal contracts, with little job security, and they often work long hours, including on weekends and public holidays. These workers frequently feel disrespected and undervalued, and many are struggling to make ends meet, particularly in the wake of the COVID-19 pandemic.

In recent years, there have been growing calls for reform in the Italian hospitality sector, particularly in relation to the treatment of workers. There have been protests and strikes by hospitality workers, demanding better pay and working conditions, and greater job security. The particularly low salaries which characterize the sector, which sometimes are even zero for those workers with no prior experience, have become a norm in Italy, so much so that even famous chefs over the country have publicly said that young workers should not expect high salaries when they are starting out in this industry. It is worth mentioning in this case one of the protests that have taken place in different Italian cities during the summer of 2022, where the hashtag “*#CercasiSchiavi*”, “Looking for Slaves” were written on posters to highlight just how low the salaries and demanding the job for workers of the sector were.

Following this preface, it is very easy to understand why the Great Resignation phenomenon impacted the hospitality industry just as much as other sectors. As the travel and tourism industry regains part of its losses caused by the Pandemic, the demand for workers of the industry has been steadily increasing. However, despite this growing demand and the usual availability of workers in this sector, the industry is facing a labor shortage as a result of many employees leaving their jobs. Among the reasons why one would leave their job, the main ones who were found were low pay, working hours and a lack of work-life balance (Liu-Lastres, Wen, & Huang, 2022). These are all challenges that we have just highlighted for the Italian hospitality industry, which clearly makes us understand why the trend became stronger in our country as well.

In Italy one of the sectors that has been impacted the most from the Great resignation is that of restaurants. According to Federalberghi, in 2023 the number of hirings in the entire hospitality sector should increase by 10% given the growing expected arrival of tourists in the country. However, it is currently difficult to estimate if this number will be the real one, as it is more and more difficult to find people that will take

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<sup>10</sup> <https://www.adamiassociati.com/selezione-del-personale-ho-re-ca/>

these jobs. One of the main difficulties that companies of the sector are facing is the loss of know-how caused by the Great Resignation and the increased costs linked to recruitment and training.

## 3.2 Research Methodology

### 3.2.1 The Qualitative Method

After introducing the context for the empirical study, we can now turn to the research methodology, the investigation method and, inevitably, the criteria applied to choose the interviewees.

For the purpose of this study, the qualitative research methodology is more appropriate and effective than the quantitative one. The qualitative method can in fact give us an analysis that is much less rigid than the one given by a quantitative method, thus leaving enough space for the opinions of the subjects that we have involved. Another element that we need to consider is the subjectivity of our data since our empirical study relies on the study of extremely subjective mechanisms that relate to the personal and work spheres of their lives. In this case, the qualitative method is able to help us better grasp the meaning behind our participant's words and to analyze them to come to a fitting conclusion.

By using a qualitative approach, we have also decided to use a semi-structured interview process with our participants. The reason why we decided to use a semi-structured interview process is that not only is it best-fitting for a qualitative research method, but it can help us explore our subjects' thoughts and feelings, readjusting our follow-up questions based on the answers that they give us. By having a structure at the basis but at the same time being able to change how we follow them up, we are able to have more of a conversation with our participants, making them comfortable so that they will share their feelings more easily.

When we started the selection process for our participants, we decided to follow three main criteria.

First of all, we decided to interview people that were born between 1981 and 2004, part of the Generations Y (Millennials) and Z. This is because, as we have seen in our first chapter, these two generations are the ones that carried the Great Resignation phenomenon. In addition to this, with Baby Boomers retiring and Generation X taking on more senior positions, we believed that the opinions of Millennials and Gen Z were more realistic and better reflect today's situation and how we can shape that of tomorrow.

The second criterion was to identify those people who actually took part in the Great Resignation, maybe without even knowing it. We only selected people who voluntarily resigned from their job in the time period starting in November 2020 and ending in January 2023.

The third and last criteria was regarding the sector in which those people worked. Since we have chosen to focus our study on the hospitality sector, we only interviewed people who have worked in this particular industry in Italy.

We selected a total of 15 participants, both male and female. The gender distribution was almost equal, with 53% of the participants identifying as female and the remaining 47% identifying as male.

All participants have worked or currently work in the hospitality sector. In particular, we have waiters, maidens, bartenders, cooks, hotel receptionists, tourist resort entertainers and baristas. The most recurrent job among our interviewees was “waiter”, with 26% of our participants mentioning it as their current or last job.

The oldest participant was born in 1987, while the youngest in 2004. The average age of our interviewees was 25, while the median age was 22, representing 26% of our population.

### 3.2.2 Data Collection

After defining our research criteria, we shall proceed to explicate the methodology employed. As previously mentioned, the empirical investigation relies on semi-structured interviews with the designated participants. By uniformly inquiring each subject with identical queries, we aim to discern recurring patterns of response, hence, yielding cross-cutting insights.

The qualitative analysis encompasses a set of five questions that individually scrutinize different aspects of our research subject. Specifically, the initial two queries pertain to the participant’s former employer, while the subsequent two relate to their present or prospective employer. The concluding question, on the other hand, seeks general recommendations for companies of the hospitality sector dealing with the consequences of the Great Resignation.

Since our study is on the Italian hospitality sector and all of our participants were Italian, all of the interviews were performed in Italian and only for the drafting of this paper later translated in English.

The first question of our study functions as an introductory phase to our research, serving a dual purpose. Firstly, it aims to present the research subject and offer a comprehensive overview of the factors influencing the participants’ decision to leave their job, especially during the current precarious times. This query seeks to ascertain the primary motivators that prompted the participants to resign from their positions and explore the factors that may have influenced their decision. Secondly, this initial question also intends to contextualize the study by providing a general introduction to the research topic and establishing the scope and objectives of the investigation. Through this enquiry, we aim to gain a comprehensive understanding of the participants’ experiences and perceptions concerning the topic, which will subsequently inform our analysis and conclusions.

1. *In the past years, the Covid-19 Pandemic has had a huge impact on the world economy and on the workplace. In particular, we have seen as an indirect effect an enormous wave of resignations that started in 2021 and is still ongoing. You might have heard of it as the term “Great Resignation” or “Big Quit”. You also have voluntarily resigned from your last job. Could you tell us what led to that decision?*

By asking this question, we not only inquire why they have decided to leave their job, but we can also see if their answers were in line with the results from the surveys that we have analyzed in Chapter 1 regarding the causes of the Great Resignation.

Subsequently, we will investigate more the underlying motives for their decision. In particular, our previous analysis has revealed that a principal factor contributing to the Great Resignation is the lack of work-life balance. Therefore, we have resolved to emphasize and address the significance of the personal lives of the participants compared to their job.

2. *According to recent data, it seems that one of the main reasons why people leave their job is the challenge to balance work and private life. When thinking about all aspects of your life, how important is your job to you? Compared to family, relationships, hobbies, etc.*

With this question, we want to understand if our participants put their job at the same level as their family, relationships, health, free time, and other parts of their personal lives. If our research reveals that a significant proportion of the participants do not consider their job to be an essential aspect of their life, this serves as a critical signal for companies to rethink their assumptions regarding the work rhythms of their employees. It highlights the importance of acknowledging that individuals work to live instead of living to work. Therefore, companies must prioritize the establishment of a healthy work-life balance and promote the well-being of their employees as a core aspect of their business strategy.

After inquiring their former employer, with the third and fourth question we turn to the new or prospective employer.

3. *Are you currently employed?*

*If yes*

- 3.1 *Which factors did you consider when moving from your old job to this new one? Are there still factors that you are missing now and would look for in a new workplace?*

*If no*

- 3.2 *What are the factors that you are taking into consideration for a new possible working position?*

By asking this question we aim to firstly identify who are the participants that are employed and those who are not. After assessing their current employment status, we ask what are the truly important factors that our interviewees take into consideration when looking for a job. We anticipate that the result from this question should reflect the change in mentality that has affected the vast majority of workers after the covid-

19 pandemic, giving thus greater importance to life outside of work. However, we also believe that one of the main factors that will show up the most in the answers will be better pay and benefits. This is both because of the extremely low wages that are currently the norm in the Italian sector, but also because of the very precarious current financial situation of the Country.

*4. For how long can you see yourself at your current job if you have one? What are the factors that would make you stay for a long time in the same company?*

While in the previous question we inquired what were the factors that would make them leave one job for the other, we now ask our interviewees what would make them stay for a long time in the same company. We expect to find from the previous question a set of talent attraction practices and from this one a set of talent retention strategies. We want to understand deeply not only why they would join a certain company, but what exactly would make them want to stay there.

*5. Which kind of activities should your company perform to be more attractive for new employees? Are there other activities that you think every company should perform to retain its current employees?*

After asking in a more indirect way about attraction and retention strategies, with the last question we aim to get a more general and broad set of practices that could be adopted by companies of the hospitality sector.

Once the interviews are concluded, and we have collected data from the answers, we will proceed to the second phase of our study: the analysis. The use of our semi-structured interview permits us to go beyond simple numerical data, helping us understand the point of view of the interviewees and their personal experiences. It is important for this matter to involve subjects that are on different hierarchical levels of their organization, so that we can base our study on a range of different experiences, however still focusing on one single sector and on the employee side rather than the employer.

### 3.2.3 Data Analysis

After defining our criteria and research method, the following step of our analysis is to analyze and elaborate the collected data. To do this, we have chosen to refer our empirical study to the analysis



methodology by (Corley & Gioia, 2004). Through their research, the authors contribute to confer scientific rigor to experimental qualitative research.

This methodology results in three levels of information progression: first order concepts, second order concepts, and aggregated dimensions.

The elements that we define as First Order Concepts are the main concepts found in our interviewees' responses, and it is common to find the same concept in different responses from different subjects. In the occasions in which this occurs, it becomes a focal point worth examining more deeply. Initially, the elements will be extremely numerous and may be in contradiction with one another. The underlined concepts will be multiple and pertain to everyday reality, highlighting daily practices and various aspects that might come as trivial upon first glance.

Following this initial analysis, we will observe that certain concepts repeat themselves, and we will note a number of analogies and repetitions among the different groups of concepts. These analogies and repetitions will constitute our Second Order Concepts. The Second Order Concepts will represent the academic theories indirectly disclosed in our subjects' responses. In this way, we will be able to incorporate academic rigor, making it possible to define our interview as a semi-structured interview. These academic concepts will also connect to the analysis themes, even if they do not repeat themselves more than once in the interviews, intending to represent the theoretical framework as a whole from various perspectives.

Aggregated dimensions are the final methodological step and involve grouping the second order elements into macro-conceptual categories. In this instance, there will be only a few dominant groups that contain fundamental theoretical concepts, which will in turn be composed of the conceptual nodes expressed by the interviewees. Therefore, these aggregated dimensions help represent the underlying themes that emerge in the analysis, resulting in few and distinct key concepts.

Data analysis and elaboration require a structure that moves from the specific to the universal, which encompasses the concepts presented by individuals from an academic standpoint and moving towards an aggregated perspective.

This methodology allows for a unique analysis of the emergent concepts and, most importantly, makes it possible to place them within an existing theoretical framework to assess the research in terms of empirical sector studies.

### 3.3 Results

#### 3.3.1 First Order Concepts

For the first phase of data processing regarding the first order concepts, which are the elements that emerge from the analysis at first glance, the analysis will proceed by examining them respectively to each question of the interview. For each question, we will list and explain the emerging concepts, providing also direct citations from the interviews to better understand them. These types of elements concern the themes that emerged one or more times in the responses of the subjects involve. As they are naturally manifold and varied within the interviews, it will be necessary to analyze them in questionnaire order so as to maintain a red thread of the concepts that will be presented.

Regarding the first question on the reasons why our participants have decided to leave their previous jobs, among the main factors that emerged from our analysis we can list the following:

### ***Low Pay***

The great majority of interviewees cited low pay as one of the main reasons that led them to leaving their job. As we have mentioned in the previous sections, people in the Italian hospitality sector often see very low pay and little to no benefits as part of their work contract. Given the growing demand for workers and their decreasing supply, we know from basic economic theory<sup>11</sup> that the wages should go up to attract a wider range of prospective employees. However, the current economic situation is not making this easy for employers, and at the same time is making the increased wages not a simple desire of workers but rather a necessity for them.

In more than one interview, the participants revealed that their pay was actually nonexistent; in one case it only consisted of the expenses for room and board, while in another the subject revealed that she received nothing. In addition, some participants also highlighted that even if paid they would often receive their salary one or two months later than expected and were forced to remind their employer that they needed to be compensated.

*“I worked for two months and never saw a check. I wish I could say this is not common, but it has happened to many of my friends working in the industry, especially when working during the summer.”*

### ***Worker Exploitation and no respect***

This last quote can also help us understand another of the themes that came up, which is the exploitation of workers.

While not paying workers is a very extreme example, the exploitation of workers and especially younger ones in the hospitality industry has unfortunately become the norm. We have already mentioned the start of various protests regarding this, but the situation does not seem to be

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<sup>11</sup> Law of Demand and Supply

improving. Half of our interviewees have mentioned this as one of the main reasons that led them to leave their job. In particular, they highlight the very long hours that are often expected and the little respect that is shown to them by their employer.

Workers, especially the younger ones, are frequently asked to work extremely long shifts with little breaks in between and often ending very late at night.

*“Regarding the work hours we were being treated as if we were ER doctors, but this did not reflect in our pay.”*

### ***Absence of Work-Life Balance***

As a direct effect of the extreme long hours and the shifts often occurring during the weekends, at night and during the main festivities, workers in this industry often find it difficult to find a balance between their work and their private life.

*“The only thing I do in my life is working, I dedicate almost all of my time to it.”*

Despite having other interests and needs, the participants often felt obliged to dedicate the great majority of their time to their job. This is particularly true for those workers that have seasonal contracts, for example as waiters during the summer season, that tend to have extremely long shifts and little to no free days. By dedicating all of their time to the job, they might experience a decrease in the quality of their relationships with families and friends that could also affect their overall mental state.

### ***No Recognition of Efforts***

Since workers are often expected to work long and exhausting shifts, one would expect them to be rewarded in some way. We have seen already that this does not happen in the form of salary or other benefits, but according to our participants it often does not happen in informal ways either.

Workers feel as if their efforts are frequently invisible to management and that their work is never enough.

Among the interviewees that have listed this one as one of the main reasons why they have left their previous job, the great majority highlights how their employer often did not even recognize their good work with the classic *“pat on the back”* but was always ready to point out even the smallest of mistakes.

*“I felt like all my efforts were in vain, no one was seeing all the passion that I was putting in my work.”*

We shall also highlight that none of the participants mentioned the use of any kind of employee recognition platform or tool in their previous company or in their current one.

### ***Uncertainty about returning to work.***

The uncertainty about returning to work due to contract renewals has been a major issue for many employees. While at a first glance this might seem like a problem that is strictly related to the covid-19 pandemic and the uncertainty that it caused in the hospitality sector, this is not the case.

The participants that cited this as one of the main reasons why they left their job add that their contracts were seasonal rather than permanent, always leaving them uncertain about their future in their workplace.

*“I was tired of not knowing if I was going to have a job or not the next month. I can’t live without this simple stability.”*

By not having a permanent contract, and sometimes no contract at all, workers do not have a series of protections that would help them also in the periods in which there is less work, such as the winter months for those workers who are situated in summer destinations.

### ***Dissatisfaction***

Many of the employees interviewed expressed dissatisfaction with their job, whether due to not being paid enough, being overworked, or simply not enjoying their job.

Among the participants that cited this as the main reason why they left their job, we find people who were working in this sector simply out of need and not out of passion and are now pursuing other interests, such as higher education.

*“I left because it was time. I did not intend on staying at this job for this long, but the pay was decent, and I was lucky enough to keep it during the pandemic. I had time to think everything through and decided it was time to give education another shot, so now I am back in University.”*

However, we also found people who were very passionate about working in the industry and left their job to find a new one where their interest would not be overlooked but rather appreciated.

Regarding the second question, where we ask our participants how important their job is compared to other aspects of their lives, these are the main answers that emerged in our analysis:

***Family, friends, and private life in general are more important than my job.***

All of the interviewees, except for one, quickly ranked their family and private life as more important than their job.

*“My family and friends will always be my top priority, everything else comes after.”*

This clearly shows us that there has definitely been a change in priorities in the past few years. For decades people have been struggling to balance work and personal life, often prioritizing their career at the expense of their relationships and thus their overall wellbeing. However now with the rise of mental health awareness, more and more people are waking up to the fact that maintaining healthy relationships, taking care of one’s health and pursuing hobbies and interests are just as essential as career success.

***I prefer to dedicate more time to my job now so that I can work less when I am older and prioritize my private life.***

A few of the interviewees expressed that they were willing to dedicate more time to their job now so that they could enjoy more free time in the future. These interviewees were part of the older side of Generation Z, those born in the late 90s. They believe that by working hard and advancing in their careers, they could eventually have a more flexible job and more work-life balance. They are thinking strategically about their priorities and recognize that making sacrifices now could have long-term benefits.

*“I am young now, if I don’t prioritize my work now when will I do it? When I have my own family?”*

However, it is worth noting that some interviewees did not share this sentiment and clearly stated that it is not worth sacrificing their personal life for their job.

***My job is very important, but it should not affect my private life.***

Several interviewees stressed that while their job was important to them, it should not impact their personal life. They shared that they have left previous jobs due to excessive pressure and a lack of work-life balance. It appears that these individuals value their personal life just as much as their job and are not willing to compromise one for the other. This is another sign of how the role of one’s job has changed through the years. Already from this very superficial analysis we can understand that if workers’ priorities change, so should their employers’ expectations.

*“If I am put in the condition to choose between my mental health and my job, I will always choose my mental health. My job should not affect my private life.”*

***I care about my job, and it is my top priority now.***

While most interviewees stated that their family and personal life were more important than their job, in one interview the participant shared that their job was currently their top priority. They felt that their job was necessary to provide for their family and give them financial stability, but also shared how passionate they are for their work and felt that it was an extremely important aspect of their life. What is curious to note is that this concept only came from the oldest of the interviewees, an older millennial. This fact can help us understand how much of a generational issue the relationship with work is and in which direction it is going. However, despite prioritizing their job, the participant still acknowledged the importance of maintaining work-life balance.

In our third question we essentially asked our participants what are the main things that they look for in a job, and for those who are currently employed if there are still some factors that they are missing from their current workplace.

***More respect for the employees.***

Many employees feel that they are not given the proper respect by their employers. This lack of respect can manifest itself in many ways, such as poor working conditions, lack of communication, or a feeling of being undervalued.

*“We were provided with room and board, but the rooms were in very poor conditions, and it was so difficult to sleep and be able to recover all the energies that we needed. We also only ate white rice for almost the entirety of the season. Meanwhile management had a completely different treatment and they never seemed to care about our condition.”*

Our subjects want to feel valued by the management, and this includes honest communication and fair treatment. Employees have witnessed unfair treatment and exploitation in their previous workplaces, and they do not want to experience the same in their current or future workplace.

All of the interviewees shared that they have felt exploited at least once in their career and especially when they were younger and at their first experiences. Some of them also added that they see this happening all the time to their younger colleagues, confirming this as a very common practice in the hospitality industry.

Therefore, employers must foster a culture of respect, where employees are treated as individuals with their unique needs and preferences.

### ***More transparency and honesty from management.***

Employees need more transparency and honesty; they want to be involved in decision-making processes that affect their work and to be kept informed about changes and developments that may impact their roles. A lack of transparency and honesty can erode trust and lead to employee disengagement.

*“We never knew what was going to happen next during the pandemic emergency. It’s true that the regulations were changing all the time, but I wish my employer would have shared with us their intentions instead of leaving us wondering for weeks.”*

Employers must take proactive steps to improve communication with their employees, sharing relevant information, feedback, and performance metrics.

### ***Shorter shifts, more breaks.***

Shorter working shifts and more breaks are essential for a healthy work-life balance, and employees appreciate it when employers consider their well-being. In the interviews, some employees complained about the lack of breaks and long working hours in their previous jobs, and they want to see changes in their current and future workplaces. In addition, some participants shared that breaks were not to be considered as given, and often managers would cut them as a form of punishment in case they did something wrong.

*“Unfortunately, it is a very common practice. I have had to bear shifts starting at 7am and finishing at 2 or 3 am, with only breaks for lunch and dinner.”*

Employers must consider employees’ needs for rest and recovery to improve productivity, reduce absenteeism, and promote well-being.

### ***Higher salary.***

While some of our interviewees reported that they chose their current jobs for reasons other than salary, it still represents a critical factor for them. Most participants agreed that they wanted to be compensated fairly and that a higher salary would be more than welcome.

Despite the growing attention to flexibility, WLB, mental health and the need for transparency, pay is still a crucial factor and we need to keep it into account for our analysis.

*“Salary is always an issue, when someone offers you more you obviously go to them.”*

### ***Having a contract.***

Similarly, to what we found during our first question, the theme of job security was again very popular. A great majority of the currently employed participants shared that they chose their new employer because they were giving them a fair contract with all the needed safeguards.

Employees are aware of their rights and the need for job security. A contract with legal protection is essential for employees to feel secure in their jobs. Employers must provide fair and legal contracts that guarantee job security and protect employees' rights.

*“It’s just not right. I have started working in this industry when I was 16 and I am only seeing a real contract now that I am 23, which is the main reason why I switched to my current job.”*

### ***Recognition of efforts.***

Employees want recognition for their efforts and achievements. They want to feel appreciated for their hard work and contributions to the organization. Employers must provide adequate recognition, such as employee of the month programs or bonuses, to motivate and retain employees. None of the participants that are now employed mentioned this as the reason why they switched to their current job, but it is considered a missing factor by the great majority of them.

*“I wish my efforts were seen. Everything is always taken for granted.”*

### ***Good team.***

A good team atmosphere and positive working relationships among employees are essential for job satisfaction. Employees enjoy working in a supportive and friendly environment, where colleagues care about each other and work collaboratively. Employers must foster teamwork, promoting social interaction and organizing team-building activities to improve employee engagement and job satisfaction.

*“During my trial days at my new workplace, I immediately saw how tight the team was and how much they were supporting each other. That was definitely one of the factors that pushed me to choose this job.”*



Despite not being one of the most popular topics that emerged from our analysis, a good team is still an important factor. Employees need to have good relationships with their coworkers, as they make their job more fun and enjoyable.

Regarding the fourth question, in which we ask our participants what are the things that would make them work for a long time at the same company, these are the topics that emerged:

***Pleasant work environment with respect***

One of the most important factors that would make an employee stay long-term with a company is having a pleasant work environment where respect is given to all individuals. This includes having a positive and supportive management team and colleagues. According to the interviews, many employees expressed their desire to have more respect from their higher-ups, a recognition of their hard work and efforts, and to be treated as normal human beings rather than just a source of profit.

*“Honestly I just want to be treated as a human being.”*

These are all themes that came up also in our previous questions and that our participants consider as extremely important factor in their organization. It is crucial for employers to prioritize their employees' well-being and ensure that everyone feels valued and appreciated. A positive work environment not only leads to happier employees, but it also boosts productivity and creates a more pleasant atmosphere for customers.

In addition, it's important to have a good relationship with one's coworkers, as this will make the permanence at a certain job more enjoyable.

***WLB, shorter shifts, days off, and ability to spend time with family and friends.***

Another factor that keeps employees loyal to a company is the ability to balance their work life and personal life. This includes having shorter shifts or more days off, enabling them to spend time with their loved ones and pursue their hobbies and interests.

*“I need to see my family and friends more often. If I had some more days off, or even simply shorter shifts that don't end so late at night... I am sure I could spend more time with my loved ones.”*

The interviews revealed that having flexibility in work schedule and enough time away from work to recharge is essential. When employees can maintain a healthy work-life balance, their overall

satisfaction and productivity levels increase. From this information, we can derive that companies that recognize this are more likely to attract and retain talent in the long run.

### ***High pay***

Despite not putting it at the first place in their priorities to stay for a long time at a job, our subjects still mentioned compensation a very important factor. Salary is always a significant factor in retaining employees for a long time, and it should be in line with the industry standards and commensurate with the employees' skills and experience.

*“I think it’s pretty obvious. If I get paid enough, I’m happier to do this job and I will stay for longer. If I’m not paid enough, I will leave as soon as I find something better.”*

Employees who feel that they are compensated well for their work are more motivated and committed to their job. Having a competitive salary package and providing regular salary increases, bonuses, or incentives can help retain employees in the long term.

### ***Regular contract***

Another topic that emerged once again also in this question is that of having a regular contract. Having a stable and regular contract is crucial for employees to feel secure and valued by their employer. This includes establishing contracts that outline job responsibilities, salary, benefits, hours, and expectations. Many employees expressed a desire for a fair and transparent work environment, where they know what is expected of them and what they can expect from their employer, such as the length of the shifts and the number of days off. Regular contracts help employees feel secure and valued, which leads to their long-term commitment to the company.

*“I don’t think I’ve ever had a proper contract before now. That is one of the main reasons why I have never stayed for too long at the same place. It’s not that I didn’t want to, it’s just that they needed me for a very short period of time.”*

### ***Autonomy***

Employees desire autonomy in their job. When they feel that they have ownership of their work and can make decisions instead of having them imposed on them by management, they are more likely to stay longer in the company. They want to have some control over their work, be listened to, and not feel micromanaged.

*“I wish I could be more autonomous. I love my job; I just want to make it more “mine” and be able to for example design cocktails or organize special events.”*

Providing employees with more autonomy can lead to better job performance, increased creativity, and a sense of ownership.

### ***New Management***

Many employees expressed their frustration with current management and their desire for a different type of management style to be implemented.

*“I know it’s cliché, but I think the management should change. They are old and have their old ways, they don’t understand that life has changed a lot in the past few years.”*

They want a management team that is supportive, listens to their concerns, and is more interested in the well-being of their employees. A company should strive to have leaders who inspire their workers, are open to new ideas, and treat everyone with respect. A diverse management team that understands and respects different cultures and backgrounds can create a more inclusive and supportive work environment.

### ***Recognition of efforts***

Recognition of employees' efforts and hard work is vital to keeping employees motivated and committed to their jobs. This can come in the form of praise, promotions, bonuses, or other incentives that show that their contributions are valued by the company. When employees are recognized for their accomplishments, they feel more encouraged to continue working hard and are more likely to stay in the company.

### ***Growth Opportunities***

Something that a few subjects shared is that they would love to stay for a long time at the same company if they knew that there was room for their improvement and that they would not have to work in the same position forever.

*“I don’t see myself being a waiter forever. If I knew that I could advance my career, I would stay. Honestly it does not seem the case, at least here in Italy.”*

Employees want to feel that there is room for growth and advancement within their company. They want opportunities to learn new skills, take on new responsibilities, and advance their careers.

Providing employees with growth opportunities not only helps to keep them engaged, but it also helps to create a more knowledgeable and skilled workforce.

### ***Proximity to home and family***

Finally, one last factor that emerged from our analysis is the proximity to one's home and family. People who work in the hospitality industry often have to move to different places based on the season if they have seasonal contracts: they might be in ski resorts in the Alps during the winter and in luxury hotels in Sardinia in the summer. Something that would make them want to keep working at the same place for longer periods is to have a workplace that is close to their home and family. This enables them to spend more time with loved ones, which is essential for maintaining a healthy work-life balance.

*"I hate that I had to leave my birthplace to find a job. My dream workplace is close to my family, I miss them so much when I am away."*

This topic reflects once again the growing importance that we are giving to our private life. While in the past many have left their hometowns in search for a better future, now we see more and more people trying to stay close to their roots and build their future close to their families.

In the fifth and last question we asked our participants what kind of attraction and retention practices they thought would be useful in any company.

Regarding the attraction practices, these are the practices that emerged:

### ***Better Human Resources Management***

According to the interviews, one of the key aspects that would make a company more attractive to new employees is a better management of personnel.

In recent years, there has been a growing emphasis on talent management in this industry, as companies seek to create more engaging and supportive work environments that value and reward their employees. Many large companies are now even using tools and platforms such as workday to support the Human Resources department in the management of the employees and the identification of the most talented ones. Unfortunately, in smaller companies this is not the case.

Employees want to feel heard and listened to when they share their ideas or concerns with management. If management is more open and approachable, it could encourage employees to speak up and offer suggestions that could benefit the company. Furthermore, companies should offer more psychological support to their employees, especially in stressful situations. This could include activities to reduce stress levels, such as mental health therapy, yoga classes or mindfulness

sessions. Offering opportunities for personal growth and advancement within the company can also help attract new talent. During interviews, companies could discuss the possibility of career advancement with the candidate to show that the company values its employees and invests in their future.

*“HR is not really a thing in this industry, at least from my experience. There is however a desperate need for it.”*

### ***Availability and open communication from management.***

Availability and open communication from management is crucial for creating a positive work environment. Many employees are hesitant to share their ideas with management for fear of being ignored or undervalued.

*“I think that during the interview process you can already understand if your manager is going to be open to dialogue. I think that’s a crucial aspect because if you only consider me as a puppet and are not going to make me comfortable to share my ideas with you, what’s the point in working with you?”*

Encouraging open dialogue and actively listening to employees can boost their confidence and create a more collaborative working atmosphere. Regular communication between management and employees can also support the identification and resolution of workplace issues. Management could create surveys to assess employee satisfaction and ask for feedback. This can help them address potential problems quickly and improve employee motivation.

### ***Higher salaries.***

Another recurring theme throughout the interviews is that higher salaries are a significant factor in attracting new employees. Employees want to feel that their work is appreciated and rewarded fairly. Higher salaries can attract not only new employees, but also help retain current employees.

*“Isn’t it obvious? Salaries are so important. The higher they are, the more people will want to work with you.”*

Offering bonuses or promotions can also help boost employee morale and create an incentive for people to join or stay with the company. Companies should compare their wages to the sector and local market averages to ensure they remain competitive in attracting new talent.

Despite the growing attention for other aspects of the working life, salary still remains an extremely relevant factor for the attraction of talented employees.

### ***More transparency and honesty.***

Honesty and transparency can considerably improve company culture overall. When companies are truthful and open with their employees, trust is established. This trust can lead to mutual respect between employees and management. This concept is very similar to that of open communication from management. The reason why this topic also came up is that according to a few of the interviewees, many employers are not honest when advertising for jobs. In particular, they describe false working hours and promise compensations that are simply not real, and the new employee will find it out soon enough. In addition, there is often a high level of secrecy regarding the activities of the company.

Companies should maintain complete transparency surrounding their finances, time management, and opportunities for career growth. This creates an atmosphere of mutual understanding and fosters employees' motivation to work towards company's goals. Creating an open communication channel between employees and management is crucial to building trust and transparency. Companies who invest in such initiatives are likely to attract talented individuals who value transparency, honesty, and openness in their working environment.

When asked about retention, these are the practices that our subjects mentioned:

### ***Team Building events.***

Based on the interviews, team building events are highly appreciated by employees as they help to create a sense of belonging and team spirit within the organization.

*“I love Christmas because we always have a little Christmas party. I wish we would do these things more often; I think that these are the kinds of things that really make you love the place in which you work and make you want to stay despite all the stressful times.”*

These events not only bring employees together but also provide a platform for better communication and understanding among team members. The events can range from casual gatherings to more structured activities such as workshops, outdoor activities, and retreats. When companies invest in team building activities, they are signaling to their employees that they value

them and care about their well-being, which in turn can lead to increased employee loyalty and retention.

### ***Recognition through rewards***

Employees thrive when their hard work and commitment is recognized, appreciated, and rewarded. From the interviews, non-monetary rewards such as extra time off, team outings, and verbal recognition of a job well done are highly valued.

*“I’ve heard about this bar where all the bartenders that sell a certain amount of drinks in a month get one extra day off that they can use whenever they want. That’s pretty cool, I wish they would do it everywhere! It would certainly motivate me more to work and especially to stay at that place.”*

Challenges where employees compete against each other are also seen as effective ways to motivate employees. However, while non-monetary rewards have their place, financial perks such as bonuses and salary increases can also play a crucial role in retaining employees in the long term.

### ***Feedback***

Employees crave feedback and want to know how they are performing. They want to know what they are doing well and where they can improve. Providing feedback regularly, either through one-on-one meetings or performance evaluations, can not only help to improve employee performance but also show them that they are valued members of the organization.

*“One thing that I really like about my current workplace is that I receive monthly feedback. From there I know what I did good and how to be better at certain things. It’s great because it really helps me be my best version, but it also shows me that my actions are noticed by others.”*

### ***Growth and learning opportunities***

Employees want to learn and grow in their careers, and companies that provide training and opportunities for development are more likely to retain talented employees.

*“I think that if for example a bar wants to keep their employees, they need to train them. Young people especially need a lot of guidance, you can’t simply let them work and be done with it. You need to invest in special training and encourage them. It will have an amazing impact both on them and on the business.”*

Investing in employee training and development not only improves their skills and confidence but also demonstrates a commitment to their future in the organization.

### ***Respect towards employees***

Companies that demonstrate respect towards their employees, by honoring employment contracts, providing safe and healthy working conditions, and treating employees fairly, are more likely to create a positive and loyal workforce. In particular, many of the participants highlighted the fact that the main thing that all employers should do is honoring the contracts. This is also connected to what we found when asking about attraction practices, when we found that honesty from management should be one of the top priorities.

*“Employers should simply treat their employees as people, I don’t think it’s such a hard thing to do. They don’t realize that you can suffer only for so long, no matter how much they pay you.”*

Respectful communication and transparency can also build trust and contribute to a happy and healthy workplace.

### ***Increase in pay.***

With no surprise we find once again compensation as a very important factor. Particularly in this time period where uncertainty is extremely high and prices are constantly increasing, an increase in compensation would help companies retain their current employees.

While not the only factor, pay is an essential component of employee retention. Fair compensation shows that companies value their talent and can act as an incentive to stay with the organization. When employees feel that their compensation is fair, they are more likely to stay long term.

### ***Management that shows their passion***

Passionate management can inspire and motivate employees to perform their jobs better. When managers lead by example and show their love for what they do, it can create a positive atmosphere that encourages employees to do their best work.

*“I believe that all managers and superiors in general should show how much they love and care about their job. When you see the passion in someone else’s eyes, you feel it and you start caring too. It helps you become part of that thing.”*

Passionate leaders also communicate their vision and inspire their teams towards common goals, enhancing employee retention in the process.



### ***Flexibility***

Companies that offer flexible working hours or remote work arrangements are highly valued by employees. Flexibility allows workers to manage their time better, which can lead to greater job satisfaction and productivity. When companies can accommodate their employees' needs, they are more likely to build a loyal and happy workforce.

*“We are in 2023, flexibility should be the norm. It’s always required from us, so it is only fair that it is also given.”*

In Table 5, we have provided a more schematic view of the First Order concepts that emerged from this initial analysis.

We can already see that many concepts repeated themselves a few times, such as the theme of compensation or that of respectful treatment of employees. We are using these more summarized versions to continue our analysis and develop second order concepts and then the aggregated dimensions.

Question 1	Question 2	Question 3	Question 4	Question 5.1	Question 5.2
Low Compensation	Prioritization of private life over Job	Respectful Treatment of Employees	Positive Work Environment	Improved HR Management	Team Building
Worker Exploitation	Career Planning	Transparency in Management	Work-Life Balance	Open Communication	Recognition through Rewards
Poor Work-Life Balance	Growing Importance of Private Life over Job	Better Working Conditions	High Compensation	Higher Compensation	Feedback
Lack of Recognition	Prioritization of Job over private life	Job Security	Job Security	Transparency	Growth and Learning opportunities
Uncertainty		Positive Team Dynamics	Autonomy		Respectful Treatment of Employees
General Dissatisfaction		Higher Compensation	New management		Higher Compensation
		Recognition of Effort	Recognition of effort		Passionate Management
			Growth opportunities		Flexibility
			Proximity to home and family		

Table 5 – First Order Concepts

### 3.3.2 Second Order Concepts

After showing the first-order concepts that emerged from the analysis of the performed interviews, we can now move to the second phase of our data analysis, which is the identification of second-order concepts.

The second-order concepts will reference to scientific arguments, giving more academical rigor to our analysis.

In this section it will not be possible to proceed in question order, as we will have different theoretical groups that connect to the main themes that emerged from our previous analysis.

The following graph shows a visual representation of the analysis process of this forthcoming section.



Table 6 – Second Order concepts

As can be seen in Table 6, we can distinguish a total of six different core themes that comprehend the concepts from our first analysis.

It is worth noting that these concepts are not all from the same academic background, but rather encompass various subjects, from a more economic viewpoint with compensation schemes to purely psychological theories with the sense of belonging. This is because when talking about humans’ nature and their needs, we cannot simply refer to the rationality that is brought to us by the study of Economics, but rather we must consider their emotions and the irrational responses to certain actions.

We will now analyze each of the identified second order concepts.

### Fairness and Reciprocity

One of the most pervasive themes among all the interviews was the general lack of respect and exploitation they face at the hands of their employers. Many mentioned that they were feeling undervalued and not appreciated, despite all of their hard work and contributions to their workplace. As a result, they experienced a sense of dissatisfaction with their jobs, which ultimately led them to resign.

From an economic perspective, this finding emphasizes the crucial role that fairness can, and in this case indeed plays, in the employment relationship. Employees who feel they are not receiving the respect and recognition they deserve are much more likely to be less motivated and committed to their work, leading to reduced productivity and lower job satisfaction. Furthermore, this feeling of injustice can lead to negative attitudes towards the company, including decreased loyalty and increased turnover rates.

To better understand the importance of fairness in the employment relationship we can use the social exchange theory, developed by sociologist George Homans in 1958. According to this theory, social relationships, including employment relationships, are based on mutual obligations and expectations of reciprocity, which means that people engage in social interactions because they expect to receive rewards or benefits in return (Homans, 1958). In the employment context, this means that employees offer their time and effort to their employer in exchange of rewards such as pay and benefits. However, the theory also recognizes that social relationships are not always balanced and that there can be an unequal distribution of resources and benefits. When this balance is not found or perceived as unfair, individuals can feel exploited and resentful. This can lead to decreased motivation and increased turnover. In addition, the theory also recognizes that social relationships are influenced by social norms and values, including norms of reciprocity. When individuals perceive that they are not receiving the fair level of rewards for their contributions, they may be more likely to engage in counter-normative behavior.

To promote fairness and reciprocity in the workplace, employers must take steps to recognize and reward employee contributions. These include providing competitive compensation and benefits, offering opportunities for professional development and advancement, and creating a positive work culture that values and appreciates employee efforts.

One significant benefit of promoting fairness in the workplace is its ability to attract and retain talented employees. When employees feel that they are treated fairly and recognized for their contributions, they are more likely to be committed to their work and loyal to their employer. This, in turn, can result in increased productivity and reduced turnover rates, which can have positive economic outcomes for the company.

From our research we derive that employees are more likely to stay with their employer when they feel that they are treated fairly. To attract and retain talented employees it is therefore essential for employers to prioritize fairness and reciprocity in the employment relationship.

## **Compensation Schemes**

Based on the interviews we conducted, employees in the hospitality industry place a high value on job security, good working conditions, positive team dynamics and most importantly compensation. In fact, despite the growing interest for other factors such as flexibility and work-life balance which we will later tackle, compensation still remains extremely important.

One relevant economic theory to explain the importance of compensation and job security is the principal-agent theory. This microeconomics theory was formalized by Jensen and Mackling in 1976; it describes the relationship between a principal, who hires an agent to perform a task on their behalf, and the incentives needed to ensure that the agent acts in the principal's best interest (Jensen & Meckling, 1976). In the context of employment, employers are the principals who hire employees as agents to perform tasks for the company.

According to this theory, employees are incentive by the compensation and jobs security they receive from their employer. Specifically, employees are more likely to act in the employer's best interest if they perceive that their compensation is fair and aligned with their effort and skills, and if they have job security that ensures a stable income. In contrast, if employees feel that their compensation is insufficient or that their job security is threatened, they may become less motivated to act in the employer's best interest and may even engage in behaviors that are harmful to the organization.

As we had already highlighted in the industry analysis, the problem of compensation is extremely relevant in this industry, something which was also confirmed by the very high the number of times it was mentioned by our participants. In addition to compensation, the presence of regular contracts still cannot be taken for granted, creating instability and uncertainty for employees of the sector.

## **Democratic Leadership**

A very common feeling among the interviewees was that of not feeling respected by their employers, leaving them often unsatisfied with their jobs. When asked about possible improvements and factors that they thought to be important but were not present in their past or current workplace, the most recurrent ones were transparency, respectful treatment of employees, open communication, and efficient HR management.

These factors can contribute to a sense of fairness and equity in the workplace, something that we also saw to be important in our previous points. When in fact employees have open communication channels with their superiors and are treated with respect, they are more likely to feel that they are being treated fairly and this in turn can promote a sense of loyalty and commitment to the organization.

In addition, they can also promote a positive work environment that fosters employee satisfaction and well-being. When employees feel that their input is valued, they have a voice in the decision-making process,

and are treated with respect, they will feel more positive about their work and employer. This can in turn lead to job satisfaction, better mental health, and lower rates of employee turnover.

Feedback, open communication, transparency, respectful treatment of employees, and effective HR management were considered extremely important to employees and are often associated with the democratic leadership style, which emphasizes collaboration, participation, and mutual respect between employees and employers.

A democratic leadership can promote open communication and transparency by encouraging employees to share their ideas and concerns, and by ensuring that all employees are aware of the important organizational decisions and policies. This style also values feedback and respectful treatment of employees by emphasizing the importance of listening to employees' input and responding to their needs.

As we have also gathered from our interviews, the most common kind of leadership seems to be a more autocratic leadership style. Because of its typical top-down approach where the leader has complete control over the decision-making processes and dictates what needs to be done, how and when, this leadership style has been proven to have various downsides. One research in particular from 2020 on the impact of leadership style on the employees of the hotel sector found that an autocratic leadership style, namely the most common in this sector, can negatively influence employee performance, satisfaction, and motivation (Radwan, 2020). The results from this study were also reflected in our own, with participants expressing a high level of dissatisfaction in their workplace often caused by the leadership style and aspects of the company culture.

Effective HR management is also crucial for promoting employee satisfaction and success. HR managers play a critical role in designing and implementing policies and practices that support employees' well-being, such as fair compensation, job security, and opportunities for growth and development. They also play a key role in ensuring that employees are treated respectfully and fairly, and that communication channels are open and transparent. The participants that mentioned this as a missing factor in their current workplace highlight how generally Human Resource Management is not present, thus creating a series of difficulties in the workplace. Problems linked to the management of employees can generate a very large amount of costs to companies, especially in terms of turnover rates. While not directly linked to a more democratic leadership style, this kind of leadership is more likely to promote the use of HR Management to efficiently manage the employees, giving all of them the possibility to be allocated to their right fit, ultimately improving the company's situation.

## **Organizational Culture**

There are several factors that our participants identified as important for the attraction and retention of employees in their industry. In particular, we can mention learning and growth opportunities, recognition

through rewards, and autonomy, which are all important contributors to employee motivation, satisfaction, and commitment.

One theoretical perspective that can help explain the reason why these factors are important is the self-determination theory, which suggests that individuals have three innate psychological needs, namely autonomy, competence, and relatedness, that have to be satisfied for them to feel motivated and engaged in their work (Ryan & Deci, 2000).

Autonomy, one of the factors that was cited by our participants, is the first of these needs. When employees have the opportunity to exercise autonomy and make decisions about their work, they are much more likely to feel motivated and engaged. Similarly, recognition and rewards are important because they satisfy the need for competence. When employees are recognized for their achievements and contributions, they are more likely to feel competent and capable, which can boost their motivation and engagement. Finally, the need for growth and development is also important for employee motivation and engagement. When employees have opportunities to learn new skills, take on new challenges, and advance in their careers, they are more likely to feel that their work is meaningful and valuable. This can enhance their sense of relatedness, or connection to others and the organization, which is another key psychological need.

To promote the realization of all these needs, there is one particular factor about the company that must be going in that direction, and that is the company culture. The company culture is the shared values, behaviors, beliefs, and attitudes that define how an organization operates. Being such an important part of the organization, it can strongly impact employees and their retention. A strong company culture can in fact help attract and retain top talent by creating an environment that aligns with employees' values and beliefs, while a negative culture can lead to low morale, high turnover, and a poor reputation. From what we gathered from our interviews and our previous analysis at the beginning of Chapter III on the hospitality sector, the culture in numerous companies of the Italian hospitality sector is often less focused on the empowerment and development of the employee and rather more profit driven. In this kind of culture, financial gains are prioritized, and the primary goal is to maximize profits, often at the expense of other factors such as the employee well-being. This kind of culture places a strong emphasis on financial performance and short-term gains, rather than on long-term sustainability and growth. The leadership style, as we have seen in the previous point, is often focused on top-down control and decision-making, with little to no input from employees. The very little emphasis placed on work-life balance and employee development can lead to low employee morale and high turnover rates, as was also confirmed by our interviews.

To fight this phenomenon, the company culture should rather value employee development and empowerment; this culture can contribute to the satisfaction of employees' psychological needs and promote employee motivation, engagement, and commitment. By providing opportunities for learning and growth, recognizing, and rewarding employees for their contributions, and promoting autonomy,

companies can create a supportive and engaging work environment that promotes employee satisfaction and well-being.

## **Welfare**

According to our interviews and our previous analysis, the needs of employees have been changing in the past few years. While previously the workplace was only required to meet the very basic physiological needs, that is not the case now.

By recognizing and addressing the diverse needs of their employees, companies can create a more supportive and inclusive work environment, which can increase employee satisfaction and commitment to the organization. For example, by acknowledging the importance of proximity to home and family for some employees, companies can consider offering flexible work arrangements, which can help employees balance their work and personal responsibilities.

Similarly, by prioritizing work-life balance, companies can demonstrate their commitment to the well-being of their employees, which can help to reduce stress and burnout and improve overall job satisfaction.

Overall, paying attention to the different needs of employees can help companies to create a more positive and supportive work environment, which can in turn help to retain top talent and increase employee engagement and productivity. In the context of the great resignation, addressing these needs can definitely be an important factor in retaining employees and maintaining a competitive edge in the labor market.

We have already mentioned one theoretical framework that suggests how paying attention to the different needs of the employees can help companies, and that is Maslow's Hierarchy of Needs. This theory suggests that individuals have a hierarchy of needs that must be met in order for them to be motivated and satisfied in their work (Maslow, 1943). The lower needs, such as physiological and safety needs, must be met before higher needs such as belongingness and love, self-esteem and self-actualization needs can be addressed. By paying attention to all the different needs of employees, companies can create a work environment that addresses these lower and higher needs, which can help to retain top talent.

Similarly, the Self-Determination theory suggests that individuals have basic psychological needs, including autonomy, competence, and relatedness, which must be met in order for them to be motivated and engaged in their work (Ryan & Deci, 2000). We have already mentioned this theory in our previous point, but it finds a link also here. By paying attention to the different needs of employees, companies can create a work environment that fosters autonomy, competence, and relatedness, which can increase motivation, engagement, and retention.

## **Sense of Belonging**



During the course of our research, we asked our participants to identify the factors that would incentivize them to remain with their current employer for a long period of time, as well as the retention practices that they believe all companies should adopt. The responses we received indicated that several factors were commonly associated with a desire to remain with an organization in the long term. Specifically, participants emphasized the importance of team building events, open communication, positive team dynamics and a supportive and generally positive work environment. All of these factors can contribute to a sense of belonging to the workplace. These findings suggest that creating a workplace culture that fosters social connection and mutual support among employees can be a critical factor in retaining top talent and promoting job satisfaction.

One theoretical perspective that can help to explain why these factors are important is the social identity theory. This theory suggests that individuals derive a sense of identity and self-esteem from the groups they belong to, including their work group (Tajfel & Turner, 1979). When employees feel that they belong to their workplace and are valued members of their team, they are more likely to feel satisfied and committed to their work. Team building activities and positive team dynamics can help to foster a sense of belonging and create a supportive work environment. When employees feel that they are part of a cohesive and supportive team, they are more likely to feel valued and motivated. Similarly, open communication and a positive work environment can create a sense of psychological safety, which can promote employee well-being and satisfaction.

In addition, this sense of belonging can function as a retention practice. When employees feel connected to their workplace and their colleagues, they are less likely to seek employment elsewhere. This can help to reduce turnover and promote organizational stability.

Another theory that suggests this is the job embeddedness theory that suggests that employees are more likely to remain with their current organization when they feel “embedded” in the job and the community (Mitchell, Holtom, & Lee, 2001). The theory proposes that employees’ attachment to their job and community is influenced by various factors, such as their connection with colleagues, sense of fit with the organizational culture and their perceived opportunities for growth and advancement.

In this context, team building, positive work environment, open communication, and positive team dynamics can be seen as factors that contribute to employees’ sense of attachment to their job and the community. When employees feel that they are part of a supportive team, and that they have positive relationships with colleagues, they are more likely to feel embedded in their job and the community. Similarly, when employees feel that their work environment is positive and supportive, and that their voice is heard through open communication, they are more likely to feel attached to their job and the community.

### 3.3.3 Aggregated Dimensions

After defining the six academic aggregates, or rather our six second-order concepts, it will be possible to proceed to the final part of our analysis, extracting the key concepts of the general analysis. The aggregated dimensions, in fact, constitute the macro-groupings of theoretical categories that encompass the elements exposed in the previous stages, including them in broader concepts. To proceed with the analysis, therefore, it will be necessary to adopt a method that is different from the one from the previous steps of the analysis. We will in fact abandon the logic from the macro to micro dimension, and rather use conceptual nuclei. In this sense, the previously shown scheme from Table 6 will be reorganized and expanded, resulting in the final summary diagram that can be observed in Table 7.

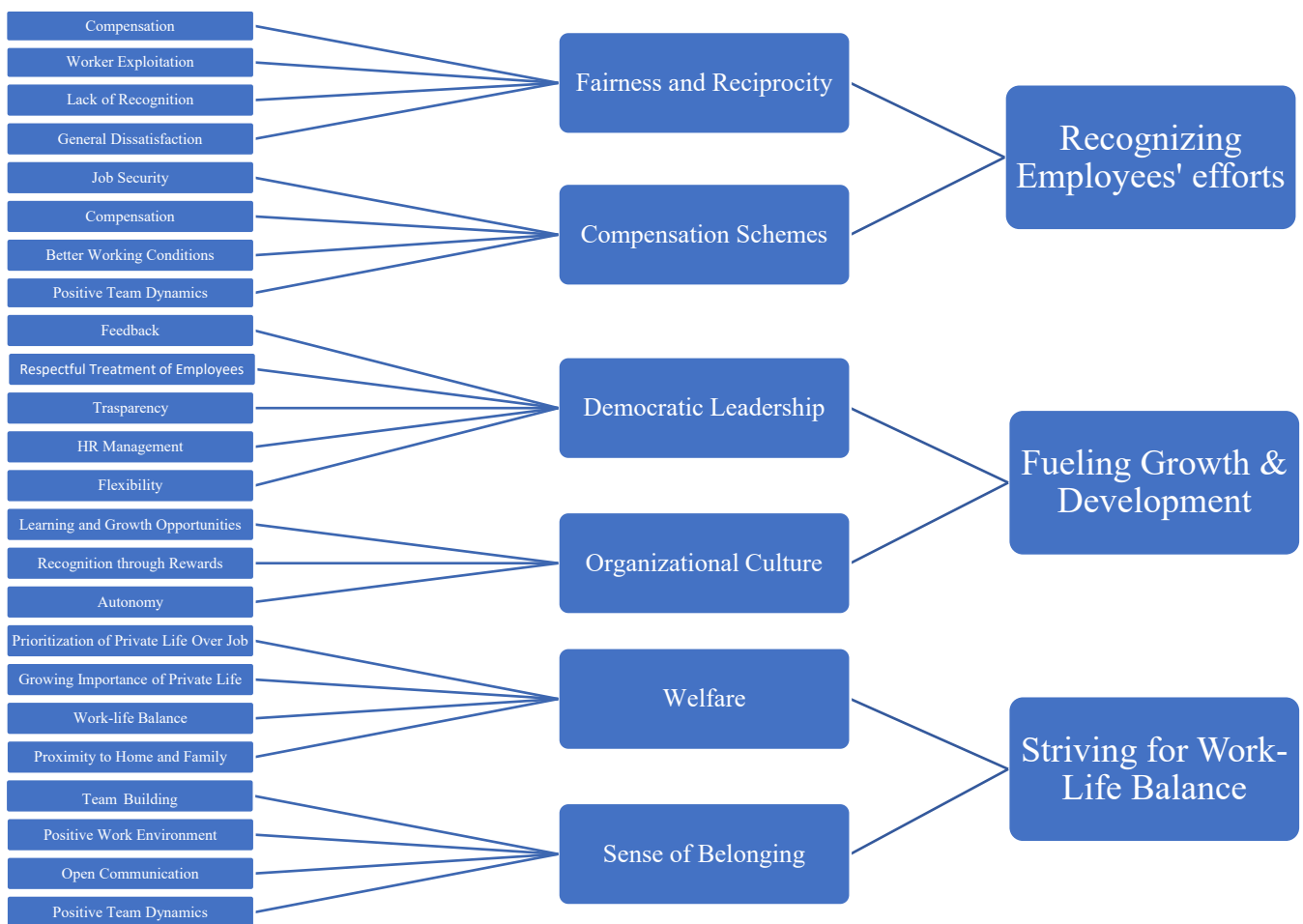


Table 7 – Complete Analysis with First Order Concepts, Second Order Concepts and Aggregated Dimensions

In table 6, therefore, it is possible to identify three main macro categories of aggregated dimensions, regarding three different aspects that employers in the Italian hospitality industry need to focus on so as to cope with the Great Resignation phenomenon.

It is possible to distinguish the following aggregated dimensions:

## **Recognizing Employees' Efforts**

We have seen how often the theme of feeling disrespected and undervalued emerged from our interviews. This, together with the general instability that surrounds employees of the Italian hospitality sector regarding their compensation and their contracts can be considered one of the main factors that led to the Great Resignation phenomenon.

In this context, recognizing employees' efforts can be particularly important. In industries such as the hospitality one, where employees are often in close contact with the businesses' clients, the feelings of resentment which can derive from the absence of recognition of efforts can be detrimental for the entire organization.

To foster fairness and reciprocity in the workplace, it is essential for employers to take proactive steps to recognize and reward employee contributions. This includes providing competitive compensation and benefits that align with the efforts and skills of employees, offering opportunities for professional development and career advancement, and creating a positive work culture that values and appreciates the hard work of individuals.

Fair treatment is critical component of recognizing employees' efforts in the Italian hospitality industry. Companies should strive to treat all employees equally, regardless of their position or tenure with the company. This can involve implementing policies and procedures that promote fairness, such as clear job descriptions, consistent performance evaluations, and equitable promotion and pay structures.

High compensation is also important for recognizing employees' efforts. This can include not only base salary, but also performance-based pay, bonuses, and other incentives. By compensating employees fairly for their hard work and dedication, companies can help promote job satisfaction and reduce turnover.

Contract-based employment can also be an important way to recognize employees' efforts in this industry. Offering contracts with clear terms and job security can help employees feel valued and secure in their positions, which can improve job satisfaction and retention.

One significant advantage of promoting fairness in the workplace is its ability to attract and retain talented employees. When employees feel that they are treated fairly and their contributions are acknowledged, they are more likely to be engaged and motivated in their work. This, in turn, leads to reduced absenteeism and increased productivity. By prioritizing fairness and reciprocity, employers create an environment that fosters employee satisfaction and loyalty, ultimately resulting in positive economic outcomes for the company.

Fairness and reciprocity in the employment relationship are closely linked to talent management, serving as both a talent attraction and retention practice.

In terms of attraction, organizations that prioritize fairness and create an environment where employees feel valued and respected become more attractive to potential candidates. When organizations are known

for treating their employees fairly and recognizing their contributions, it enhances their reputation as an employer of choice.

On the other hand, fairness and reciprocity also contribute significantly to employee retention. Retaining talented employees requires creating an environment where they feel valued and motivated to stay with the organization for the long term. When employees feel that they are treated fairly and their contributions are recognized and rewarded, they develop a sense of loyalty and commitment to the organization. Employees who feel fairly treated are more likely to have higher job satisfaction, increased engagement, and a stronger desire to remain with the organization, reducing turnover rates and preserving valuable talent.

By integrating fairness and reciprocity into talent management strategies, organization can effectively attract and retain talented individuals. Fairness becomes a key component of the employer brand, attracting top talent who value fairness and mutual respect in the workplace. Moreover, it helps create a positive work culture that fosters employee satisfaction, engagement, and loyalty, ultimately contributing to talent retention and the long-term success of the organization.

## **Fueling Growth and Development**

The concept of fueling growth and development emerged as a prominent theme from our interviews as a strategy that employers need to implement, highlighting the significance of providing employees with opportunities for continuous learning, skill, enhancement, and personal development within the workplace. To effectively fuel growth and development within an organization, several key elements need to be prioritized. Firstly, it involves offering learning and growth opportunities to employees. This can be achieved through various means, such as providing training programs, workshops, seminars, and mentorship initiatives that enable employees to acquire new skills, expand their knowledge and enhance their professional capabilities.

Furthermore, autonomy and empowerment play a vital role in fueling growth and development. Employees should be provided with the autonomy to make decisions, take ownership of their work, and explore innovative solutions. Empowering employees fosters a sense of trust, confidence, and responsibility, enabling them to unleash their full potential and drive their personal and professional growth.

Effective performance management practices are integral to fueling growth and development. Regular feedback, coaching, and performance evaluations provide employees with insights into their strengths and areas for improvement. By aligning individual goals with organizational objectives, employees can see how their growth contributes to the overall success of the organization, further motivating them to invest in their development.

It is clear that these practices, which can be considered talent management practices, can help companies of the sector cope with the Great Resignation phenomenon, by both attracting new employees and retaining those already working.

Organizations that prioritize and promote growth opportunities become desirable workplaces for talented individuals seeking avenues for continuous learning and advancement. By showcasing a commitment to employees' development, organizations attract top talent who are eager to enhance their skills and reach their full potential.

Moreover, fueling growth and development creates an environment that fosters employee satisfaction, engagement, and commitment. When employees perceive that their organization values their personal and professional growth, they are more likely to stay and contribute to the organization's success. This, in turn, reduces turnover rates and helps retain valuable talent within the organization.

We shall also mention that prioritizing growth and development can help companies build organizational agility. By investing in their employees' growth, organizations can in fact develop a skilled and adaptable workforce that can effectively respond to the many new challenges that are to arise and drive innovation.

### **Striving for Work-Life Balance**

This last aggregated dimension provides a comprehensive strategy to cope with the Great Resignation phenomenon. This approach involves addressing the diverse needs of employees and fostering a sense of belonging to create a supportive work environment.

The key aspect of this strategy is recognizing the importance of work-life balance. By acknowledging employees' responsibilities and commitments outside of work, companies can offer more flexible work arrangements that help individuals balance their work and personal lives. This demonstrates a commitment to employee well-being and can reduce stress and burnout, ultimately improving job satisfaction.

Another crucial element is welfare, which goes beyond meeting basic physiological needs. Companies should strive to address the diverse needs of employees by providing opportunities for growth and development. By promoting work-life balance and prioritizing employee well-being through initiatives such as flexible working hours and supportive policies, organizations can create a positive and supportive work environment.

Creating a sense of belonging is also essential. This can be achieved through team-building events, fostering positive team dynamics, and encouraging open communication. When employees feel connected and valued as part of a supportive community, they are more likely to develop a strong sense of attachment to their job and organization. This sense of belonging enhances employee satisfaction and commitment.

By implementing this strategy, organizations can effectively cope with the Great Resignation in several ways. Firstly, addressing employees' needs and promoting a positive work environment increases employee

satisfaction, reducing turnover rates. Secondly, when employees feel their voices are heard and their needs are met, they are more engaged and productive. Finally, creating a supportive work environment and prioritizing work-life balance enhances the organization's reputation, making it more attractive to potential employees.

### 3.4 Discussion

In this last part of Chapter III, the discussion section of our thesis, we delve into the key findings and implications derived from our in-depth exploration of the Italian hospitality sector in the post-Covid era. Drawing upon our interviews and industry observations, this section analyzes the opportunities and challenges faced by organizations of the industry.

By examining the themes of recognizing employees' efforts, fueling growth and development, and striving for work-life balance, this discussion aims to shed light on the transformative strategies that can drive sustainable success in the industry. Furthermore, this section explores practical recommendations and implications for organizations in the Italian hospitality industry, highlighting the potential impact on employee satisfaction, guest experiences, and overall industry resilience.

#### 3.4.1 The future of the hospitality sector

In the wake of the Covid-19 pandemic, as we have seen from our analysis, the hospitality sector has witnessed a profound transformation on all fronts. In particular, we have focused on what has changed for employees of this sector, who now have heightened focus on several key aspects that they expect from their employers, reflecting the new landscape of the industry.

Work-life balance has become one of the crucial points for employees in this sector. The Italian hospitality industry has in fact seen for the past decades an increase in the number of work hours, and as we have seen these are often undercompensated. The pandemic managed to bring to the surface these problems, highlighting the importance of flexibility and the integration of personal and professional responsibilities. Employees now expect their employers to offer flexible scheduling options, remote work opportunities, and the use of technology to facilitate efficient communication and collaboration. By promoting work-life balance, employers can enhance employee satisfaction, productivity, and overall well-being.

Strictly related to work-life balance, mental health support has also emerged as a critical expectation from employees. The pandemic has taken a toll on individuals' mental well-being, leading to increased stress and anxiety. In response, employees now expect their employers to provide resources and programs that address

mental health challenges. Employers should prioritize fostering an environment that encourages open dialogue and destigmatizes discussions around mental health.

Professional growth and development opportunities have always been important in many sectors, but they have gained even greater significance in the post-COVID era. Employees now expect their employers to provide avenues for upskilling, cross-training, and career advancement. Organizations that invest in their employees' professional development not only demonstrate their commitment to their growth but also create a more engaged and loyal workforce. Providing training and clear pathways for career progression are effective ways to meet these expectations.

We can clearly see how the shift that has generally been present in many industries after the pandemic has also characterized the Italian hospitality Industry. While employees of this sector have often lived in uneasy circumstances and tolerated unfair compensation and treatment, this is not the case anymore. If employers of the sector want to retain their employees and attract new ones after the waves of resignations, much still has to change.

### 3.4.2 An Employee-centric Approach

Drawing from our in-depth interviews, some valuable insights have emerged regarding the importance of adopting a more “employee-centered” approach in the post-pandemic era. Our interviews provided a firsthand understanding of the evolving needs of employees within the industry. By leveraging the resulting data, we can now delve into more practical suggestions and recommendations for employers to prioritize their workforce, creating a work environment that fosters employee well-being and satisfaction, helping with high turnover and low retention rates.

Adopting an employee-centered approach can offer a great number of benefits to organizations in the hospitality sector. Firstly, it fosters a positive work culture and enhances employee morale and job satisfaction, leading to increased employee retention and productivity. Satisfied employees are more likely to provide great customer service, resulting in more positive guest experiences and improved customer loyalty. This ultimately helps the organization to be more profitable. Moreover, an employee-centered approach cultivates a sense of ownership and commitment among employees, driving them to take initiative, be proactive, and contribute innovative ideas for organizational growth and improvement. Again, this ultimately can help the organization be more profitable and become more popular for its innovative ways and the visible passion from the staff.

To implement an employee-centered approach, organizations in the hospitality sector should consider practical measures. Firstly, it is crucial to establish fair and competitive compensation packages that align with industry standards. As we have mentioned numerous times, this sector has seen some extremely low salaries despite the growing demand for good services. Providing transparent salary structures,

performance-based incentives, and comprehensive benefits packages demonstrate a commitment to valuing employees' contributions and recognizing their worth. Recognizing employees' worth is extremely important and unfortunately it has not been a recurrent practice in the workplaces where our interviewees have worked.

Investing in training and development programs is another key aspect of an employee-centered approach. Offering opportunities for upskilling, cross-training, and continuous learning not only improves employees' knowledge and skills but also demonstrates a commitment to their growth and professional advancement. This helps employees feel more valued and attached to their workplace, thus leading them to stay in that same place for a longer period of time. In addition, by gaining new skills, employees can also take new roles and more responsibilities.

Promoting work-life balance is vital to an employee-centered approach. Employers can offer flexible scheduling options, such as staggered shifts or compressed workweeks, to accommodate employees' personal needs and responsibilities. Additionally, organizations should prioritize creating a culture that encourages employees to take regular breaks and vacations to recharge and maintain a healthy work-life balance.

One thing that we have already mentioned but is worth noting once again is that employee recognition and appreciation play a significant role in an employee-centered approach. Employers should establish recognition programs that acknowledge and celebrate employees' achievements and contributions. This can include awards, certificates, public acknowledgments, or even small gestures of appreciation. While this is often a reality in large hospitality chains thanks to the higher available resources, a smaller-scale version should also be present in smaller businesses. Regular feedback and performance evaluations are also important to provide employees with a clear understanding of their progress and areas for improvement.

Lastly, organizations should prioritize open and transparent communication channels. Regular team meetings, town halls, or feedback sessions allow employees to voice their opinions, concerns, and suggestions. Providing opportunities for employee input in decision-making processes demonstrates a commitment to valuing their perspectives and involving them in shaping the organization.

All of the aforementioned measures collectively represent effective talent attraction and retention practices that organizations in the Italian hospitality industry can and should adopt. By implementing all of these practices, which had also been identified in our literature review in Chapter II, organizations can effectively cope with the challenges of the Great Resignation and create a workplace that attracts and retains top talent in the Italian hospitality industry.

### 3.4.3 The Need for a New Leadership Style and Organizational Culture

Again, drawing from our interviews and our thorough analysis, we also conclude that there is generally a growing need for a new kind of leadership and organizational culture that moves away from the traditional “profit-driven” models. Insights gathered from interviews and industry observations highlight the necessity



of a “gentler” leadership approach that prioritizes employee well-being and a positive, people-centric culture, as we have highlighted in our previous point.

In the post-COVID era, the Italian hospitality sector is undergoing a transformation where leaders should start to recognize the importance of adopting a gentle leadership style. This approach involves leaders who prioritize building strong relationships with their teams, actively listening to their concerns, and empathizing with their experiences. By fostering a supportive and inclusive environment, leaders can empower their employees, instill a sense of trust and collaboration, and create a shared vision that aligns with the organization's goals.

Alongside gentle leadership, organizations in the Italian hospitality sector should be seeking to establish a positive and people-centric organizational culture. This culture prioritizes employee well-being, job satisfaction, and work-life balance. Employers must recognize the value of creating policies and practices that support the physical and mental health of employees. By placing employee well-being at the forefront, organizations can foster a positive work environment that enhances productivity, employee engagement, and retention. Moreover, a positive organizational culture in the Italian hospitality sector emphasizes the importance of recognition and appreciation. Recognizing employee achievements and contributions through rewards, incentives, and public acknowledgment boosts morale, motivation, and a sense of pride among employees. Additionally, fostering a culture of open communication, transparency, and inclusivity enables employees to feel valued and respected, leading to increased job satisfaction and a sense of belonging.

Shifting towards a gentle leadership approach and cultivating a positive organizational culture in the Italian hospitality sector requires a collective effort from leaders, managers, and employees. It involves reevaluating traditional hierarchical structures, fostering a sense of teamwork and collaboration, and promoting a shared purpose and values. By embracing this new paradigm, organizations can create a harmonious work environment that attracts and retains top talent, enhances the guest experience, and drives long-term success.

By adopting this more positive culture and gentle leadership approach, organizations can ultimately treat all of their employees as valuable talent and implement talent management practices. When organizations create a positive culture and embrace gentle leadership, they are ultimately recognizing that every employee has a unique set of skills, abilities and potential. They view all of their employees as valuable assets and actively invest in their development and well-being. This approach will not only help them attract top talent, but also retain employees by creating an environment where they feel valued, supported, and motivated to contribute their best to the organization’s success.

### 3.4.4 Challenges

While the adoption of a more employee-centric approach and the transformation towards a gentle leadership style and positive organizational culture present numerous benefits, we shall also acknowledge the challenges and limitations that organizations in this sector might encounter.

One of the main challenges is the resistance to change. The Italian hospitality industry, like many others, has been rooted in extremely traditional models that prioritize profit and customer satisfaction. Shifting toward paying more attention to employees requires a fundamental shift in mindset and organizational practices. It is possible that a great amount of leaders and managers may be resistant to relinquishing control and adopting a more collaborative approach, especially in small and medium businesses. Overcoming these challenges necessitates a comprehensive change management strategy that involves communication, training and continuous reinforcement of the new values and practices.

Another great challenge lies in the resource constraints faced by smaller hospitality businesses. While larger hotel chains and establishments may have the financial means to invest in employee development programs and recognition initiatives, smaller businesses may face limitations in terms of budget and available resources. This makes it much more challenging for them to fully embrace an employee-centric approach and implement all the recommended practices. However, we shall note that they could still start by making incremental changes, such as fostering open communication and emphasizing the importance of employee well-being.

Lastly, the fast-paced nature of the hospitality industry itself can present many challenges in maintaining a consistent focus on employee-centric practices. This industry often requires long working hours and extremely high-pressure environments. Balancing the operational demands of the business with the need for employee well-being can be a rather delicate task. Organizations need to find ways to find a balance between delivering exceptional guest experiences and creating a supportive work environment for their employees. This could involve establishing clear boundaries and monitoring and addressing employee workload and stress levels.

Understanding and addressing these challenges and limitations is essential for organizations in the Italian hospitality sector as they embark on the journey towards a more employee-centric approach, gentle and democratic leadership, and a generally positive organizational culture. By proactively identifying and mitigating these challenges, organizations can optimize the implementation of employee-focused practices and foster a work environment that not only empowers employees, but most importantly enhances guest experiences and drives long-term success.

### 3.4.5 Future Research

Studies on the use of talent management in the hospitality industry to cope with the Great Resignation are very much on their early days, given how recent this phenomenon is.

Future research in this context should delve deeper into the specific dynamics and outcomes of adopting an employee-centric approach, gentle leadership, and positive organizational culture.

In particular, our study focused on asking employees only and not employers which kind of practices would have kept them working at the same business. A longitudinal study could be performed, to track the impact of these practices over time. Factors that shall be examined are the effect of these practices on employee satisfaction, retention rates, guest experiences, and financial performance. Additionally, the influence of organizational factors such as size, location, and ownership structure on the successful implementation of these practices shall be explored, as it would provide valuable insights for practitioners.

Moreover, studying the perceptions and experiences of customers and their response to employee-centric initiatives would enhance our understanding of the relationship between employee satisfaction and customer satisfaction.

By addressing these research gaps, future studies can contribute to the development of evidence-based strategies and interventions that promote sustainable growth and success, employee well-being and customer loyalty in the Italian hospitality sector.

## Conclusion

We have now reached the final part of our thesis, where we can draw together and summarize the different findings from our study.

In the face of the unprecedented Great Resignation phenomenon, the Italian hospitality sector stands at a critical point, requiring the exploration of innovative strategies to tackle talent attraction and retention challenges head-on.

This dissertation embarked on a comprehensive qualitative study to unravel how the use of talent attraction and retention practices could help businesses cope with this unprecedented phenomenon, with a particular focus on the hospitality industry in Italy.

Through our research, we sought to shed light on how organizations in this industry can adapt their practices to create a work environment that not only copes with the consequences of the Great Resignation, but also becomes a beacon for exceptional talent.

In the first chapter we focused our analysis on the Great Resignation phenomenon itself, also known as the “Big Quit”. The first section examined the rise of the phenomenon and its historical antecedents. We argued that despite the fact that Covid-19 served as the ultimate trigger by exposing the fragility and inequities of the labor market, the Great Resignation has deeper roots in the culture of *workism* and *workaholism* that has been prevalent in many societies for the past decades. The pandemic has only exposed the flaws of this approach and created a new awareness for a more balanced and flexible work approach. The second section focused on the presence of the phenomenon in Italy, which provides an interesting case study of a country where traditionally job security and stability have been more valued than career mobility. The third section addressed the generational angle of the Great Resignation, which has been most pronounced among younger workers who are more likely to prioritize work-life balance, personal growth, and purpose-driven careers than their older peers. We have seen how the most touched generations were those of Millennials and Gen Z, both now representing a great part of the workforce with Millennials starting to cover higher ranking jobs. The fourth section delved into the motivations underlying the Great Resignation, which are multifaceted and complex. We examined the key factors that drive employees to leave their jobs, such as salary, work-life balance and mental health, job security. The fifth and final section assessed the consequences of the Great Resignation for employers, employees, and society as a whole. We argued that while the Great Resignation represents a significant challenge for employers who must retain and attract talent in a highly competitive environment, it also presents an opportunity for organizations to rethink their policies and practices to foster more engaging, inclusive, and innovative workplaces.

In the second chapter, we decided to explore the literature that already exists on the use of talent attraction and retention practices to cope with high turnover rates and low retention rates in the hospitality industry.

The chapter began with an overview of the concept of Talent Management and its relevance in the current job market. It then delved deeper into the specific ways Talent Management practices can address the Great Resignation phenomenon. Next, the chapter explored the concepts of talent attraction and retention, which are critical to the success of any Talent Management strategy. The section provided definitions for these terms and examined existing literature from various industries to understand how Talent Management practices can help organizations effectively attract and retain top talent. In particular, we found as common practices among the great majority of the papers analyzed, Training and Development opportunities which are often mentioned as a particularly effective retention strategy, followed by a positive and healthy organizational culture that promotes employees' wellbeing and mental health. Surprisingly, the use of a competitive salary was not one of the most mentioned practices, despite the fact that at least in the Italian hospitality sector the low wages are one of the main reasons why a great number of people do not wish to be employed in the industry.

Lastly, the chapter concludes with a focus on the main challenges that are related to the implementation of these practices in the hospitality industry. One common challenge is the high turnover rate that characterizes the industry, which is actually also a consequence of the phenomenon we are trying to fight. Another interesting challenge is the lack of awareness of the importance of talent management. A vast majority of Italian businesses in the sector are small family-run businesses where talent management is not a known practice and is not widely used. This highlights even more the importance of informing companies of this practice and of how much it can potentially help them in coping with the Great Resignation phenomenon.

In the third and last chapter of this study, we finally perform our empirical study. We have decided to perform a qualitative study, since the high subjectivity of the data requires for a method that can better show the feelings and emotions of the participants.

We have interviewed a total of 15 participants, all part of the two generations that we identified to be the most touched by the Great Resignation phenomenon, which are Millennials and Gen Z. We asked them a total of 5 questions using a semi-structured approach, starting from more broad questions regarding the reasons why they decided to take part in this phenomenon and leave their current job, to direct questions on what they think businesses in this sector should do to attract and retain employees in the changing economic landscape.

From their answers and by using the method by (Corley & Gioia, 2004), we then extrapolated firstly a series of First-order concepts, which were later grouped in a total of 6 Second-order concepts, showing which ones should be the trends the employers of the sector should be focusing on. These 6 second-order concepts were then grouped into three aggregated dimensions, namely Recognizing Employees' Efforts, Fueling Growth & Development, Striving for Work-Life Balance.

Our findings confirm that the shifting expectations of employees are clearly redefining the very fabric of the industry. Work-life balance has emerged as a pivotal concern, as the pandemic laid bare the longstanding issues of excessive work hours and inadequate compensation that have been part of this industry for the past decades. Mental health support and avenues for professional growth and development have also risen to the forefront, showing the evolving needs of the workforce in the post-pandemic era.

It is imperative for organizations to embrace an employee-centered approach that transcends the traditional approaches focused on profits only. This transformative shift fosters a more positive work culture, igniting employee morale, job satisfaction and ultimately increasing both retention and productivity levels. Satisfied employees in fact are not only more likely to provide an exceptional customer service, leading to improved guest experiences and increased customer loyalty, but they also infuse the organization with an innovative spirit, fueling its long-term success.

In essence, our research underscores the urgent need for a new kind of leadership and organizational culture – one that transcends profit-driven models and embodies a gentle approach. Leaders must forge strong relationships with their teams, listening attentively and empathizing with their experiences. By fostering an inclusive and supportive environment, leaders can cultivate trust, collaboration, and a shared vision that aligns with organizational goals.

Simultaneously, cultivating a positive and people-centric organizational culture becomes of great importance. This kind of culture prioritizes employee well-being, job satisfaction, and work-life balance, thereby enhancing productivity, employee engagement and retention. Recognizing and appreciating employee achievements through rewards, incentives and public acknowledgment fosters a sense of pride and motivation.

*“The reason for our success is no secret. It comes down to one single principle that transcends time and geography, religion, and culture. It’s the Golden Rule – the simple idea that if you treat people well, the way you would like to be treated, they will do the same”.*

*Isadore Sharpe, Founder of Four Seasons*

We have also seen that putting all of this into practice does not come without a series of challenges.

In particular, we mentioned the resistance to change, the constraints faced by smaller hospitality businesses, and the fast-paced nature of the industry.

Regarding the first one, we can say that this industry has been rooted in traditional models that prioritize profit and customer satisfaction, thus making the shift towards paying more attention to employees also requires a shift in mindset. The second challenge is particularly relevant to the Italian landscape, as the great majority of businesses are SMEs and face limitations in terms of budget and available resources

compared to larger chains that have the financial means to invest in their employees. However, they could still start by making small incremental changes such as emphasizing the importance of their employees' well-being. The third challenge highlights how difficult it may be to balance the operational demands of businesses in this sector with the need for employee well-being.

Understanding and addressing these challenges and limitations is essential for organizations in the Italian hospitality sector as they embark on the journey towards a more employee-centric approach, gentle and democratic leadership, and a generally positive organizational culture. By proactively identifying and mitigating these challenges, organizations can optimize the implementation of employee-focused practices and foster a work environment that not only empowers employees, but most importantly enhances guest experiences and drives long-term success.

However, we must recognize that the Great Resignation has uncovered deeper systemic issues that extend beyond talent attraction and retention practices alone. The issues of low compensation, extremely long hours, and the often very poor working conditions are unfortunately present in the great majority of businesses of this industry. During our interviews, the themes of lack of respect and that of poor working conditions have been cited unfortunately a great amount of times. Something shall be done so as to protect workers in this industry, who are often forgotten by the majority despite being a part of our everyday life.

We must recognize that while the use of talent attraction and retention practices can play a vital role in coping with the consequences of the Great Resignation phenomenon, they must be accompanied by a profound systemic change to address the broader structural challenges within the Italian hospitality sector. By engaging in collective efforts and embracing systemic transformation, the industry can not only weather the storm of the Great Resignation, but also thrive in the dynamic landscape of the future. Such transformation must be driven by a shared commitment to improving the well-being and treatment of workers, fostering a sustainable and inclusive hospitality sector that benefits both employees and businesses alike.

By recognizing the need for a systemic change, alongside talent attraction and retention practices, we can pave the way for a brighter and more prosperous future for employees, employers, and ultimately consumers.

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# Summary

## Chapter I

The Covid-19 pandemic had an extremely strong impact on society, leading to great shifts in daily routines and interactions. All aspects of our lives have changed since its beginning.

The workplace was one of the most impacted parts of our lives, with remote work becoming more prevalent and additional health security measures put in place. Depending on the type of job that one had, employees all over the world had to adapt to a new norm: working from home or continuing working on-site with additional health and safety measures. Despite all the measures that Governments across the world and businesses implemented to support workers, the pandemic clearly exposed the fragility of the labor market.

Because of the many restrictions that were put in place by Governments to stop the spread of the virus, the pandemic resulted in a reduced demand for certain services such as dining or all of those related to tourism, leading to layoffs and furloughs in various industries. Many countries such as the United States experienced extremely high unemployment rates during the pandemic, although these numbers gradually declined over time.

However, with the apparent end of the pandemic, another phenomenon started to replace the initial period of layoffs. Psychologist Anthony Klotz coined the term “Great Resignation” to describe a labor shortage phenomenon that emerged in November 2020, but that saw its peak in the United States throughout 2021 and in 2022 in other countries such as Italy (Cohen , 2021). Workers began reevaluating their personal and professional lives, leading to an increased desire to take control by quitting their jobs.

While many believe the Covid-19 pandemic to be the sole driver of this phenomenon, that is not the case.

In the early 20<sup>th</sup> century, economist John Maynard Keynes predicted a future with a shorter workweek and more time for hobbies and family life (Keynes, 2010). While work hours have decreased since the 18<sup>th</sup> century, the United States has seen an increase in working hours for high-income earners. This can be attributed to the link between welfare policies and work, where one’s job becomes crucial for accessing essential services. This emphasis on career achievement has given rise to the concepts of *workism* and *workaholism*, with the latter being an addictive pattern of excessive work devotion (World Health Organization, 2019). Both *workism* and *workaholism* contribute to the risk of burnout, which has become increasingly prevalent, especially among the Millennial Generation. Factors such as technology, economic instability, and high student debt add to the stress experienced by this generation. The blurred lines between work and leisure further exacerbate the problem. Overall, work-related stress has become a significant issue well before the start of the Covid-19 pandemic.

One thing that the pandemic actually accomplished, however, is that it has brought about a new awareness among workers regarding the importance of work-life balance and personal well-being. Workers have experienced a shift in their priorities and a desire to spend more time with their loved ones and engage in personal interests. Office workers, in particular, have learned to say “no” to additional work in order to maintain a healthy work-life balance.

Frontline workers, on the other hand, have faced increased stress and challenges, leading to a steep decline in mental health.

The pandemic has highlighted the fragility of life and prompted individuals to prioritize their health and well-being. Additionally, the disruptions caused by the pandemic have shifted people’s focus to higher-level needs, as proposed by Maslow’s hierarchy of needs (Maslow, 1943). Workers now expect their workplaces to not only meet the basic needs, but also to help them with the higher ones of self-actualization, thus changing the role of the workplace.

With this new awareness among workers, the pandemic finally triggered the wave of voluntary resignations that we know as the Great Resignation phenomenon, as workers seek to align their lives with their newfound awareness and desires.

Among the main reasons why one would leave their job, we can mention stress and the desire for more time for loved ones, but there are many other factors at play as well.

Despite starting in the United States, the phenomenon spread all over the world. It made its impact also in Italy, where it became known as “*Grandi Dimissioni*”. However, there are some notable differences in the Italian context.

One factor is that individuals with fewer years of experience faced more difficulty entering the job market during the pandemic, as companies preferred workers with more experience and specific skills.

The trend in Italy started in 2021 and continued throughout 2022, when it saw its peak. In the first six months of 2022, over 1 million resignations were submitted, compared to approximately 750,000 during the same period in 2019. The Ministry of Labor’s data on their *Comunicazioni Obbligatorie* reports (Mandatory Communications) showed a sharp rise in resignations during the second trimester of 2021, following a decline at the beginning of 2020. The increase in voluntary resignations for reasons other than retirement was the primary driver of the change in total resignations.

The peak of this phenomenon in Italy differed from that in the United States, as resignations continued to increase in the second trimester of 2022, before gradually declining towards the end of the year, albeit remaining higher than in pre-Covid times (Ministero del Lavoro e delle Politiche Sociali, 2022).

While it is true that this phenomenon has touched all kinds of employees, it has been primarily driven by the Millennial Generation, which includes individuals born between 1981 and 1996. In the United States, Millennials experienced higher burnout rates compared to other generations even before the pandemic, and these rates increased further during the pandemic.

Data on resignations in the United States in 2021 showed that the majority of resignations were from individuals younger than 30 years old, mainly from Generation Z and younger Millennials (Zippia, 2022). Globally, surveys have indicated that a significant percentage of Millennials and Gen Z respondents plan to leave their employers within the next few years (Deloitte, 2021).

In Italy, the situation is slightly different. While there has been an increase in resignations across all generations, Millennials have been the primary drivers. According to a survey of Italian companies, a significant proportion (76%) of total resignations were from Millennials, followed by Gen X (28%), Gen Z (27%), and Baby Boomers (2%) (Casadei, 2022). One reason for this difference is the difficulty that individuals with less experience, often younger generations, face in finding jobs. The Italian labor market has seen high rates of NEETs (Not in Employment, Education, or Training) among young people, with the country having one of the highest rates in Europe. The unemployment rate for Gen Z in Italy is also notably high compared to the US and OECD averages.

The reason why these two generations in particular drove the Great Resignation phenomenon is that they are very similar in certain ways. In particular, they share similarities in their values and the impact of social media on their perspectives. They prioritize factors such as social responsibility and inclusion, and companies that align with their values are more likely to retain their loyalty. Despite the challenges they face, both generations have the potential to have a significant impact on the job market, with Millennials currently being the largest generation in the workforce and Gen Z growing up in a world shaped by the pandemic. This makes them a force to be reckoned with in terms of their influence on the labor market and society as a whole.

The motivations underlying the Great Resignation are multi-faceted and have been building up over a long period of time, as we have mentioned before. While the pandemic has played a significant role, it is important to recognize that the phenomenon is not solely a result of the virus itself but rather a culmination of various factors. Several surveys have been conducted to understand the reasons behind the Great Resignation, and here we will focus on the findings of the Randstad WorkMonitor survey, which provides valuable insights by interviewing around 35,000 individuals in 30 different countries (Randstad, 2022).

According to this survey, the main reasons individuals cited for leaving their jobs include:

- Low pay: dissatisfaction with salary has been a significant factor for many workers. This aligns with findings from other surveys as well.

- Poorly distributed benefits: Employees value benefits that support their overall well-being, such as healthcare, retirement plans, and work-life balance initiatives. When benefits are not perceived as satisfactory or are not evenly distributed, it can contribute to the decision to resign.
- Lack of work-life balance: achieving a healthy balance between work and personal life has become increasingly important for employees. They seek greater flexibility in how they manage their time and responsibilities.
- Contractual security: job security is crucial for individuals to feel stable and confident in their positions. When there is a lack of contractual security, such as temporary or unstable employment contracts, employees may be more inclined to leave.
- Limited opportunities for growth and advancement: many employees desire opportunities to develop their skills and advance in their careers. When these opportunities are lacking, individuals may choose to explore other options.

It's worth noting that these reasons are not mutually exclusive, and individuals may be influenced by a combination of factors in their decision to resign.

Understanding the motivations behind the Great Resignation is essential for companies and policymakers to address the underlying issues and create environments that attract and retain talent. By addressing concerns related to pay, benefits, work-life balance, contractual security, and growth opportunities, organizations can create a more engaging and fulfilling work environment, reducing the likelihood of employee turnover.

The most common reason for resignation is low salary, as highlighted by surveys. Workers often feel their income is insufficient to cover their needs. Higher pay has been linked to improved productivity. Italian workers face lower wages compared to global averages, contributing to a significant percentage leaving their jobs.

The pandemic has emphasized the importance of work-life balance and mental health. Many workers prioritize personal interests and family time. Work-life balance is associated with job satisfaction, mental well-being, and employee retention. The Great Resignation reflects a mental health crisis, with increased stress and burnout leading many workers to reconsider their career choices and leave their jobs.

The phenomenon of “quiet quitting” has emerged, where employees do the bare minimum at work without formally resigning. This reflects a desire for a more balanced life and challenges the prevailing work-centric culture. Employers may perceive it as laziness, but it signals a shift in mindset, particularly among Millennials and Gen Z.

The Great Resignation phenomenon has widespread consequences for both workers and companies.

For workers, it can provide opportunities to pursue new career paths or personal goals. However, it also brings risks and uncertainties, such as finding new jobs in a challenging economic climate or accepting less favorable conditions. The pandemic has disrupted traditional career paths and created a need for adapting and acquiring new skills.

For companies, the Great Resignation results in the loss of experienced and skilled workers, negatively impacting productivity, efficiency, and competitiveness. The phenomenon incurs costs related to separation, replacement, and training. However, it also presents an opportunity for companies to reassess their workplace policies and practices, offering more attractive work arrangements to retain top talent and enhance the overall employee experience.

## **Chapter II**

With this study, we aim to understand whether and how the use of talent management practices can help companies cope with the Great Resignation phenomenon.

By attracting and retaining top talent through effective recruitment, recognition, and development strategies, companies can create a more engaged and motivated workforce. However, it is important to note that talent management practices alone may not address all the systemic issues in the job market.

Talent management practices are crucial for attracting and retaining top talent in today's competitive job market. Industries, including hospitality, are recognizing the importance of these practices, especially in the post-pandemic era marked by the Great Resignation phenomenon. Recruitment and selection methods have evolved, with targeted campaigns, online platforms, and innovative selection techniques being used to build a strong talent pipeline.

Employee development and training programs are also emphasized to enhance skills and knowledge. Retention strategies, such as competitive compensation, flexible work arrangements, and a positive work environment, are implemented to reduce turnover and foster employee satisfaction.

However, it's worth noting that smaller businesses in Italy still heavily rely on traditional recruitment methods.

In our analysis of various academic papers focusing on talent management practices in the hospitality industry, several key concepts and practices emerged. While there is no single unified approach, certain practices were consistently highlighted as effective strategies for talent attraction and retention.

The first article emphasized the importance of effective communication, aligning talent management with organizational strategy, and the role of leadership in talent management. Additionally, the article identified seven core functions of talent management: talent planning, identification, attraction, acquisition, development, deployment, and retention (Yildiz & Esmer, 2023).

A doctoral study focused on employee retention strategies in the hospitality sector. The study highlighted the significance of a positive organizational culture, including employee engagement, empowerment, and growth. Ongoing training and development opportunities, recognition of employee contributions, and a positive work environment were identified as key factors in talent retention (Dogonyaro, 2021).

Another study examined talent management practices in luxury hotels across Greece, the UK, China, and the UAE. It recommended the use of social media and employee referral programs for talent attraction, along with competitive salaries, benefits, and opportunities for personal and professional development. The study emphasized the importance of a supportive work environment, recognition, and reward programs for talent retention (Marinakou & Giousmpasoglou, 2019).

One article specifically examined talent management practices in the hospitality industry following the Covid-19 pandemic. It highlighted the need for employee engagement, empowerment, ongoing training, effective communication, and collaboration. Challenges identified included high turnover rates and the difficulty of identifying and assessing talent in the fast-paced and dynamic industry (Mousa, Arslan, & Szczepańska-Woszczyna, 2022).

Two additional articles focused on reimagining talent management practices in response to high turnover rates and the impact of the pandemic. These articles emphasized the importance of a multilevel perspective, considering both individual-level factors such as career aspirations and organizational-level factors such as culture and leadership style. Strategies such as career advancement opportunities, flexible work arrangements, and positive work cultures that prioritize work-life balance and employee well-being were recommended (King, et al., 2021) (Salem, Aideed, Alkathiri, & Ghazi, 2022).

Common practices that emerged from the analysis included training and development opportunities and fostering a positive and healthy organizational culture. Surprisingly, competitive salary was not frequently mentioned as a talent management practice.

Flexibility in work arrangements was only mentioned in one study, despite being a growing trend in the post-pandemic workplace.

Challenges identified in implementing talent management practices in the hospitality industry included the high turnover rate, lack of awareness about talent management, difficulty in identifying and assessing talent, and resource constraints.

These findings underscore the need for tailored talent management strategies that address the unique characteristics and challenges of the hospitality industry. By implementing effective talent attraction and retention practices, businesses in the hospitality sector can better cope with the high turnover rates and benefit from a talented and engaged workforce.

## Chapter III

The Italian hospitality industry is a vital sector of the country's economy, encompassing various businesses such as hotels, restaurants, cafes, bars, and more. Tourism plays a significant role in Italy's economy, accounting for a substantial portion of the national GDP and employing a significant percentage of the workforce.

Italy is a popular tourist destination, attracting millions of visitors each year to experience its cultural heritage, history, and natural beauty.

However, the Italian hospitality sector faces numerous challenges. One of the key issues is the treatment of workers, who often experience low wages, poor working conditions, and limited job security. The average salary in the industry is below the national average, and many workers are on temporary contracts with little stability. Long working hours, including weekends and public holidays, contribute to workers feeling undervalued and struggling to meet their financial needs.

Calls for reform in the industry have grown in recent years, with protests and strikes demanding better pay, working conditions, and job security for hospitality workers. The low salaries prevalent in the sector have unfortunately become normalized, leading to dissatisfaction among workers and exacerbating the challenges faced by the industry.

Furthermore, the Great Resignation phenomenon has had a significant impact on the Italian hospitality industry. As travel and tourism recover from the COVID-19 pandemic, there is a growing demand for workers. However, the industry is experiencing a labor shortage as many employees have resigned from their positions. Reasons for leaving include low pay, long working hours, and a lack of work-life balance. These challenges faced by the industry align with the reasons behind the Great Resignation trend.

Restaurants, in particular, have been heavily affected by the Great Resignation in Italy. Despite the expected increase in hiring due to the anticipated arrival of tourists, finding people willing to take these jobs has become increasingly difficult. Companies in the sector are grappling with the loss of expertise resulting from the Great Resignation and the associated costs of recruitment and training.

After introducing the context of our study, we can finally turn to our empirical analysis.

For our research methodology, the qualitative approach was chosen as it allows for a more flexible and in-depth analysis of the subjective experiences and perspectives of the participants. Given the focus on

personal and work-related aspects, the qualitative method is better suited to capture the meaning behind their words.

A semi-structured interview process was employed, enabling a conversational approach while maintaining a basic structure. This approach allowed for follow-up questions based on the participants' responses, facilitating a deeper exploration of their thoughts and feelings.

Three main criteria were used in the participant selection process. Firstly, individuals born between 1981 and 2004, representing Generations Y (Millennials) and Z, were chosen as they were found to be central to the Great Resignation phenomenon. Additionally, with Baby Boomers retiring and Generation X taking on senior positions, the opinions of Millennials and Gen Z were considered more reflective of the current situation and future prospects.

Secondly, only individuals who voluntarily resigned from their jobs between November 2020 and January 2023 were selected, ensuring their involvement in the Great Resignation.

Lastly, the participants were exclusively drawn from the hospitality sector in Italy, aligning with the focus of the study. The chosen participants held various roles within the sector, such as waiters, bartenders, cooks, hotel receptionists, tourist resort entertainers, and baristas. Among the participants, 26% identified their current or last job as a waiter, indicating its prevalence in the sample.

A total of 15 participants, both male and female, were selected, with a nearly equal gender distribution (53% female, 47% male). The participants' ages ranged from the oldest born in 1987 to the youngest born in 2004. The average age of the interviewees was 25, with the median age being 22, representing 26% of the overall sample.

In the data collection phase, semi-structured interviews were conducted with the selected participants. The qualitative analysis was based on a set of five questions, each targeting different aspects of the research subject. The interviews were conducted in Italian, considering that the study focused on the Italian hospitality sector, and the interviews were later translated into English for the purpose of this paper.

The first question aimed to provide an introductory phase to the research by asking participants about the factors that led to their decision to resign from their previous job during the Great Resignation phenomenon. This question sought to understand the primary motivators behind their resignation and explore if their responses aligned with the findings from surveys analyzed in Chapter I regarding the causes of the Great Resignation.

The second question focused on the participants' perception of the importance of their job compared to other aspects of their lives, such as family, relationships, hobbies, and personal well-being. This question aimed to determine if the participants valued their job at the same level as other areas of their life, emphasizing the significance of work-life balance and the need for companies to prioritize employee well-being.



The third question addressed the participants' current employment status. If they were employed, they were asked about the factors they considered when transitioning from their old job to the current one and whether there were any factors missing in their current workplace. If they were not employed, they were asked about the factors they were considering for a new potential job. This question aimed to identify the important factors that participants prioritize when seeking employment and anticipated a shift in mentality post-COVID-19 towards valuing life outside of work and better pay and benefits.

The fourth question explored the participants' perspectives on their current job and the factors that would make them stay in the same company for a long time. This question aimed to uncover talent retention strategies and understand what would make participants want to remain with an organization for an extended period.

The fifth and final question sought recommendations for companies in the hospitality sector to attract new employees and retain their current workforce. This question aimed to gather a broader set of practices that could be adopted by companies to enhance their attractiveness and retain employees.

Once the interviews were completed and data was collected from the participants' responses, the study would proceed to the analysis phase. The semi-structured interview approach allowed for a deeper understanding of the participants' perspectives and personal experiences, enabling a comprehensive analysis based on a range of different experiences within the hospitality sector from an employee standpoint.

In the data analysis phase, the study employed the methodology proposed by Corley and Gioia to ensure scientific rigor in the qualitative research. The methodology consists of three levels of information progression: first-order concepts, second-order concepts, and aggregated dimensions (Corley & Gioia, 2004).

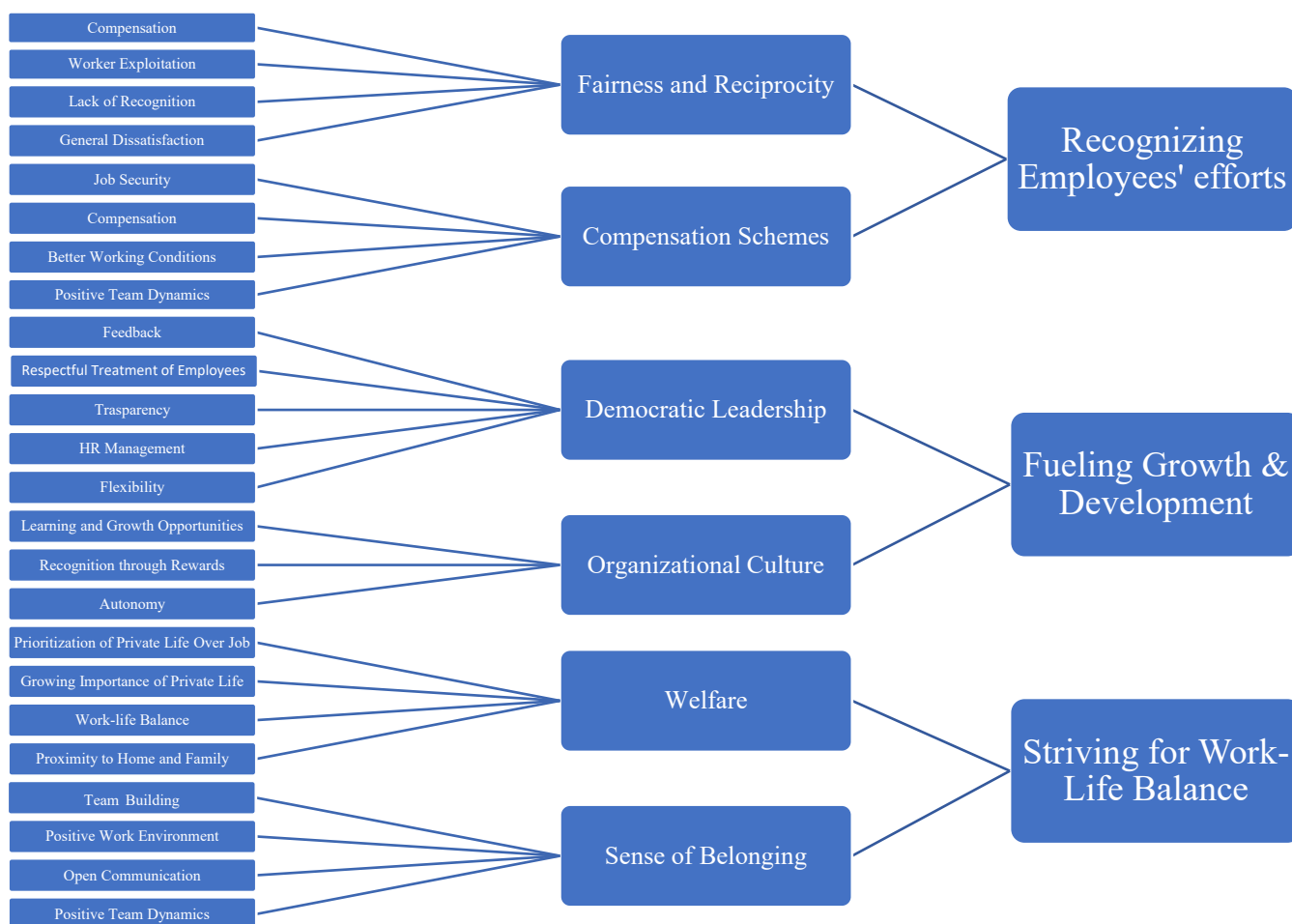
First-order concepts refer to the main concepts identified in the participants' responses. These concepts are common across different participants' responses and serve as focal points for further examination. Initially, the first-order concepts may be numerous and diverse, reflecting the everyday reality and practices of the participants.

As the analysis progresses, patterns and repetitions among the first-order concepts will emerge, leading to the identification of second-order concepts. These second-order concepts represent academic theories indirectly disclosed in the participants' responses. They provide a theoretical framework that connects to the analysis themes, even if they are not explicitly repeated in every interview.

The final step is to aggregate the second-order concepts into macro-conceptual categories, which are referred to as aggregated dimensions. These dimensions represent the underlying themes that emerge from the analysis and comprise a few dominant groups containing fundamental theoretical concepts. The aggregated dimensions provide a broader perspective and result in key concepts that represent the essence of the research findings.

The data analysis and elaboration follow a structured progression from specific to universal, integrating individual concepts with academic theories and moving towards aggregated dimensions. This methodology enables a comprehensive analysis of the emergent concepts, incorporates existing theoretical frameworks, and facilitates the assessment of the research in the context of empirical sector studies.

The next table is the graphical representation of the results of our study, starting from the first order concepts on the left, proceeding with the second order concepts in the middle and ending with the aggregated dimensions on the right.



The study has identified three aggregated dimensions that are crucial in addressing the challenges posed by the Great Resignation phenomenon. These dimensions are:

- Recognizing Employees' Efforts: This dimension emphasizes the importance of recognizing and valuing employees' efforts. It highlights the need for fair treatment, competitive compensation, and job security. By recognizing employees' contributions, companies can foster a positive work culture,

promote job satisfaction, and reduce turnover. Fairness and reciprocity in the employment relationship also play a significant role in talent attraction and retention.

- **Fueling Growth and Development:** This dimension focuses on providing employees with opportunities for continuous learning, skill enhancement, and personal development. Organizations can achieve this by offering training programs, promoting autonomy and empowerment, and implementing effective performance management practices. Prioritizing growth and development attracts talented individuals and creates a work environment that fosters employee satisfaction, engagement, and commitment.
- **Striving for Work-Life Balance:** The third dimension centers on addressing employees' diverse needs and promoting a supportive work environment. It involves recognizing the importance of work-life balance and offering flexible work arrangements. By prioritizing employee well-being, organizations can reduce stress and burnout, improve job satisfaction, and create a sense of belonging. This strategy also contributes to reducing turnover and enhancing the organization's reputation.

Implementing these strategies helps organizations effectively cope with the challenges posed by the Great Resignation. They contribute to attracting and retaining talented individuals, enhancing employee satisfaction and engagement, and building a positive work culture. By recognizing employees' efforts, fueling growth and development, and striving for work-life balance, companies can navigate the changing landscape of the hospitality industry and promote long-term success.