

# Turnover and Retention of Generation Z during Probation in Hospitality: The Case of Macao

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## ABSTRACT

Generation Z (Gen Z) is becoming an integral part of workforce in hospitality. This study explores the factors that influence Gen Z new hires' turnover intentions and behaviors and identifies effective strategies that retain these young talents in Macao's hospitality industry. This study contributes to better understand Gen Z in the workplace, which provides guidance for employers in the hospitality industry to effectively retain Gen Z, reduce their turnover, and thereby avoid workforce bubble. 12 in-depth interviews were conducted with Gen Z new hires who resigned during probation in Macao. The findings identified 11 factors that affect Gen Z new hires' turnover intentions, including working hours, inability to get along with colleagues, expectation gap, low wages, job nature, company culture, working stress, health condition, training, management confusion, and uncertain career prospects. Three strategies, including the provision of higher salary, better work schedule arrangement, and transparent communication about job-related facts before Gen Z coming on board were considered to be effective in retaining Gen Z in hospitality.

*Keywords:* Gen Z, turnover, retention, probation, hospitality, Macao

## 1. INTRODUCTION

High employee turnover has been a major challenge to the hospitality industry because of the work nature of long working hours, low wages, repetitive tasks, and high physical and emotional demands (Kim, 2008; Robinson et al., 2016). Employee turnover brings both internal and external consequences to hotels, such as high cost in recruitment and training (Afsar et al., 2018), negative impact on employee morale (Deery & Iverson, 1996), and inconsistent service

quality (Davidson et al., 2010). Hence, employee turnover has been an important and popular research domain for decades. In hospitality, previous studies (e.g., Mohsin et al., 2013; Qiu et al., 2014) have mostly focused on employee's turnover intention and its antecedents. Understanding employee's turnover intention might help managers to take precautions in advance and retain employees before they resign. To lower the turnover rate, prior scholars also studied staff retention strategies (Dwesini, 2019; Marinakou & Giousmpasoglou, 2019). For instance, Kotler et al. (2005) argued that human resources strategies such as empowerment, training, and reward are effective to retain employees. Researchers also found that most employee turnover occurs during the early stage of employment (Cho & Lewis, 2011; Lam et al., 2002). Nonetheless, existing studies about employee's turnover intentions, behaviors, and effective retention strategies offered by employers in the hospitality industry during early period of employment is limited.

Generation Z (Gen Z), those who were born between 1995 and 2009, has gradually become the main workforce of the hospitality industry (Goh & Lee, 2018). Compared with previous generations of employees, Gen Z may have different pursuits in the workplace. For example, Coombs (2013) highlighted that happiness is Gen Z's main motivator in work. Moreover, Schawbel (2016) found that Gen Z values workplace flexibility, technology-enabled communication, regular feedback over annual reviews, and expects to work hard for quick returns in career. For hotels to better attract and retain Gen Z in hospitality, studies that help to understand Gen Z's turnover intentions, behaviors, and effective strategies to retain these future leaders during their early period of employment are highly needed. Nevertheless, such study is absent. Therefore, this study aims to fill this void. In this study, probationary period is chosen to be a boundary of the early period of employment. Probation, whose period varies among different companies or positions, allows both employee and employer to see if they are a 'good fit' and make things easier if they need to terminate the contract (Salum, 2019).

The economy of Macao relies heavily on the tourism sector, and the hospitality industry plays a significant role in Macao's tourism economy. UNWTO (2020) states that international tourism accounts for 90% of Macao's total exports of goods and services, demonstrating the city's reliance on hospitality. At present, there are 135 hotels in Macao, including 17 three-star hotels, 20 four-star hotels, and 37 five-star hotels (Macao Government Tourism Office, 2022), showing a high demand for well-trained human resources. Therefore, this study used Macao as a case and adopted a qualitative approach to explore the factors that contribute to Gen Z's turnover intentions and behaviors during their probationary period, as well as effective strategies that can retain these young talents. This study aims to achieve the following research objectives:

1. To explore the potential drivers of Gen Z new hires' turnover intentions in Macao's hospitality industry;

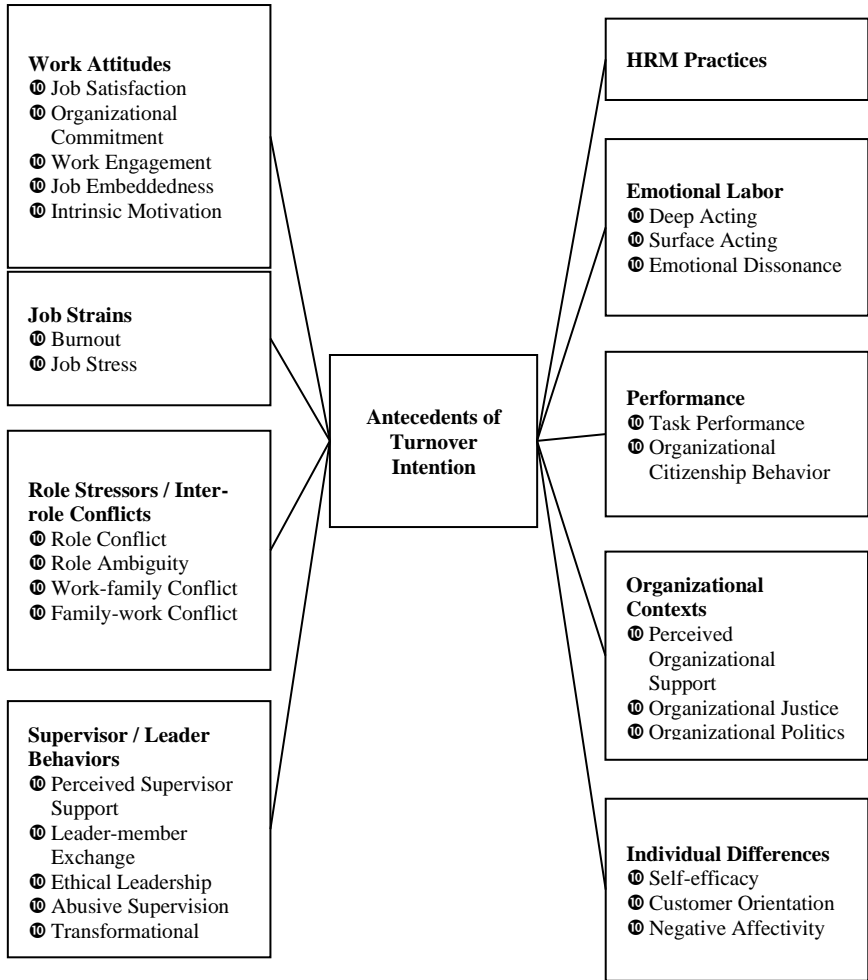
2. To discover the key reasons that trigger Gen Z new hires' resignation during probation;
3. To identify current and effective strategies to retain Gen Z new hires;
4. To provide practical advice to employers in the hospitality industry to minimize Gen Z new hires' turnover and improve employee stability.

## **2. LITERATURE REVIEW**

### **2.1 Turnover intention and behavior**

High employee turnover is regarded as an emblematic characteristic of the hospitality sector. Employee turnover intention is defined as employee's awareness about exiting their job positions or withdrawal behavior related to workplace alienation (Bothma & Roodt, 2013). Previous studies have pointed out that employee turnover could increase the cost of rehiring and training and affected the delivery of products and services quality (Afsar et al., 2018; Johnson, 1981). Moreover, employee turnover might cause employee morale issues (Deery & Iverson, 1996). Since employee turnover has such significant impact on hotels, extensive studies have investigated employees' resignation motives in hospitality (Deery & Shaw, 1999; Park & Min, 2020). First, compared to other industries, hospitality is often distinguished by long and antisocial working hours, low wages, repetitive tasks, high physical and emotional demands, and frequent interaction with customers (Kim, 2008; Robinson et al., 2016). These characteristics often lead to employees' physical and emotional exhaustions (Kim, 2008), resulting in employees' high intention to leave the field.

Among the literature that directly examines employee turnover intentions, Cho et al. (2006) investigated the impact of human resources management (HRM) practices, such as compensation and training, on turnover rates. Jiang et al. (2012) also posited that turnover would reduce if HRM practices were properly configured. Mohsin et al. (2013) attributed the intention to long working hours and job stress. Qiu et al. (2014) discovered that, in addition to salary and work-life balance, leadership-related factors, community fit (both physical environment and culture), workgroup solidarity, and promotion opportunities contribute to employee's turnover intention. Moreover, Park and Min (2020) integrated the antecedents found in previous research into nine categories: work attitudes, job strains, HRM practices, role stressors and inter-role conflicts, supervisor and leader behaviors, emotional labor, employee performance, other organizational contextual factors, and individual attributes. The detailed breakdown is shown in Figure 1. Furthermore, work attitudes, job strains, role stressors and inter-role conflicts were also found to have significant effects on turnover intention (Park & Min, 2020). Besides, according to Randstad's (Future CFO, 2022) latest research on employee value proposition factors conducted in Hong Kong, work-life balance was voted as the most important factor for the first time in ten years, accounting for 60.4% of the vote, ahead of salary and benefits, which had previously been the most critical factor.



**Figure 1: Classification of turnover intention antecedents**

Source: Park and Min (2020)

In the research realm of turnover intention, only a few prior studies (e.g., Huselid, 1995; Lam et al., 2003) were conducted to understand newly-hired employees’ turnover intentions. For example, Huselid (1995) argued that new entrants who lack of experience frequently have unrealistic expectations of work. Moreover, Lam et al. (2003) pointed out that employee turnover during the initial stage of employment is often due to newcomers’ expectation discrepancies. Similar results were derived from Yang’s (2008) study conducted with 61 Taiwanese hotels, which suggests that employee turnover occurs more

often among newcomers when their expectations and reality are incongruent. In Lam et al.'s (2003) study, they also investigated the roles of subjective norms and training on new hires' resignation decisions. Besides, the level of job satisfaction during the early stage of work was also considered as an influential factor toward newcomers' decisions of resigning (Yang, 2008). Many scholars (e.g., Lam et al., 2002; Young & Lundberg, 1996) have argued that employees resigning within the first few months of employment brings costly consequences in finance and service quality to hotels. Therefore, more studies on new hires' turnover intention should be conducted to guide employers in the hospitality industry to formulate effective retention strategies targeting on newcomers.

Different from turnover intention, employee turnover is a behavior that occurs when a worker leaves a job voluntarily after working for a certain period (Chalkiti, 2012). Most extant literature focuses on turnover intention rather than the key reasons that trigger employees' actual turnover behaviors (Lam et al., 2003). According to the theory of planned behavior (Ajzen, 1985), individual's behavioral intention could determine the behavior. Cho and Lewis (2011) also discovered positive correlation between turnover intention and behavior. Therefore, factors that contribute to employee's turnover intention may often be the reasons that push employees to finally resign. In the study conducted by the Pew Research Center (Parker & Horowitz, 2022), low wages, lack of advancement opportunities, feeling disrespected at work, and poor benefits are some most cited reasons that urge American workers to quit their jobs.

## **2.2 Retention strategies in hospitality**

The concept of employee retention refers to an organization's ability to keep its employees (Kakar et al., 2017). Dwesini (2019) defined it as an effort made by a company to create a conducive environment that encourages the team members to stay with the company. The employee turnover rate in hospitality is one of the highest of all industries. As a result, employee retention is a key issue that can affect the competitive advantage of a hotel (Karatepe, 2013; Sen & Bhattacharya, 2019). Karatepe (2013) once stated that acquiring and retaining high-performing frontline staffs is critical to provide quality service in the competitive marketplace. Several factors and strategies have been identified in previous literature to enhance the performance of hotels on employee retention. For example, Kotler et al. (2005) found that HRM practices such as empowerment, training, and reward are effective to retain employees at the Ritz-Carlton. Dwesini (2019) suggested that managers in the hospitality sector could develop retention strategies based on organizational culture and commitment, compensation, training and development, employee engagement, job satisfaction, and employee-centric work environments. Marinakou and Giousmpasoglou (2019) also found that effective communication between management and talent, coaching and mentoring, flexibility in working time, empowerment, and acknowledgment of achievement are examples of effective retention practices. Furthermore, exit interviews can help employers in the hospitality sector to understand why employees leave and potentially persuade them to stay with

alternative opportunities and offers. Although these prior studies have illuminated the retention strategies in hospitality, retention strategies during the probationary period remain unexplored.

### **2.3 Generation Z: The emerging workforce**

Within a few years, Gen Z will overtake Millennials to be the world's most populous generation (Gomez et al., n.d.). Gen Z refers to those who were born between 1995 and 2009. Most of them are just about to graduate from college and entering the workplace (Goh & Lee, 2018). Deloitte (2017) estimates that Gen Z will account for over one-fifth of the workforce in the next four years, constituting a significant portion of the labor market. According to Goh and Okumus (2020), this critical workforce segment cannot be ignored because they are regarded as the future leaders of the hospitality industry. Understanding what matters to Gen Z will be critical for hotels to effectively attract and retain workforces in the future. Although a few studies (e.g., Deloitte, 2017) have endeavored to understand Gen Z's general perceptions in the workplace, Gen Z studies conducted in hospitality are still scarce. According to Gomez et al. (n.d.), despite money and salary still being important to Gen Z, they also pay attention to other factors that align with their personal value, such as workplace diversity. Coombs (2013) argued that one of Gen Z's primary motivators in work is happiness. More specifically, Schawbel (2016) mentioned that Gen Z prefers workplace flexibility, technology-enabled communication, regular feedback over annual reviews, and expects to work hard for quick return in career.

Based on the discussion above, understanding how to retain Gen Z is important for employers in the hospitality industry to reduce turnover, especially during the probationary period when most newcomers resign. Hence, studies on Gen Z's turnover and retention during probation are highly necessary. However, such study and the guidance for hospitality employers to design better HRM strategies that can effectively retain Gen Z are absent. Therefore, this study aims to fill this void.

### **3. Methodology**

This study adopted a qualitative approach to explore the factors that influence Gen Z new hires' turnover and effective strategies to retain Gen Z. To delve deep into Gen Z's personal perspectives behind their resignation during probation, in-depth semi-structure interviews are deemed appropriate to achieve the research objectives. This study adopted a mixture of convenient sampling and snowball sampling. All interviewees must fulfill the following three requirements: a) being a Macao local resident; b) had frontline working experience in hotels in Macao; c) born between 1995 and 2009. The authors firstly recruited interviewees through personal network. Then interviewees were asked to recommend their friends to participate. The respondent profile is presented in Table 1.

**Table 1: Respondent profile (n = 12).**

No.	Gender	Year of birth	Previous department	Previous position	Length of service (months)	Duration of probation (months)	Education level
1	Female	1998	Front office	Guest service agent	2.5	3	Bachelor
2	Female	1997	Room reservation	Room reservations agent	3	3	Bachelor
3	Female	1999	F&B	Administrator	1.5	3	Bachelor
4	Female	1999	Front office	Guest relations officer	2	3	Bachelor
5	Female	1995	Front office	Guest relations officer	0.25	3	Bachelor
6	Male	1995	Front office	Front desk agent	2.5	3	Bachelor
7	Female	1995	Hotel operation	Room reservations agent	2.5	3	Bachelor
8	Male	1999	Hotel operation	Butler	2	3	Bachelor
9	Female	1997	Front office	Guest relations officer	2	3	Bachelor
10	Female	1997	Hotel operation	Front desk agent	3	3	Bachelor
11	Female	1998	Front office	Guest relations officer	2	3	Bachelor
12	Female	1997	Front office	Front desk agent	3	3	Bachelor

Notes: Given hotels using different titles for the same position, a unified name of positions with similar job descriptions was used to better classify respondents' work experience and protect their privacy.

All interviews were conducted at meeting places that are mutually agreed by interviewee and interviewer, such as local cafés and restaurants, from January to February 2022. At the end, a total of 12 face-to-face interviews were conducted to reach data saturation. Each interview lasts approximately 20 minutes. For subsequent data analysis, all interviews were audio-recorded with note taking. The recorded audios were then transcribed into text scripts that enable the authors to extract key findings with content analysis manually.

During the face-to-face interview, interviewees were firstly asked about their demographic information, such as year of birth, level of education, and major of study. Then, basic information about interviewees' previous frontline working experience in hospitality, such as the name of their former employers, department, position, length of service, and probation period duration, was

collected to ensure that interviewees are the targeted respondents of this study. To achieve the research objectives of this study, the interviews cover four major aspects: (1) drivers that motivate Gen Z to leave their jobs, (2) key reasons that cause them to finally resign, (3) current retention strategies offered by their former employers, and (4) effective retention strategies that can retain Gen Z new hires.

## **4. FINDINGS AND DISCUSSIONS**

### **4.1 Drivers of Gen Z new hires' turnover intention**

From the interviews, 11 drivers were identified to be the drivers that contribute to Gen Z new hires' turnover intention in Macao. Identified drivers include working hours, inability to get along with colleagues, expectation gap, low wages, job nature, company culture, working stress, health condition, training, management confusion, and the uncertain career prospects.

**Working hours.** Working hours is the most agreed factor that influences Gen Z new hires' intentions to leave among the respondents, which was mentioned by seven of the twelve respondents. Most of them believed that the working on shift is antisocial, resulting in work-life imbalance. For example, two respondents commented as follows:

*"They put me on the night shift for three weeks in a row, and I felt like I did not have any personal time."*  
(Respondent 4)

*"I do not want to work the night shift. Working on shift makes my life a two-point one line every day. Also, I felt I did not have time to socialize with my friends, and I was exhausted after work."* (Respondent 12)

Respondents also complained about long working hours leading to insufficient rest. This is evident by Respondent 9's comment below:

*"I do not get enough rest days. The workload is extremely heavy but there is only one day off per week. This stresses me out mentally and physically."*(Respondent 9)

This finding unveils Gen Z new hires' perceived vulnerability of feeling isolated from social lives due to the working shift and long working hours in hospitality, thereby planting the seed of quitting the job in their minds. This finding reiterates prior scholars' (e.g., Mohsin et al.,2013; Qiu et al., 2014) assertion about the significance of working hours toward employee turnover. It also aligns with the recent research conducted in Hong Kong, revealing employee's greater focus on work-life balance (Future CFO, 2022).

**Inability to get along with colleagues.** From the interviews, five interviewees mentioned their difficulties to get along with their colleagues. Some interviewees, such as Respondent 4, explicitly said that they felt hard to establish rapport with colleagues because most of their colleagues are expatriates.



*“Many of my colleagues are expatriates. It sometimes seems as if they have their piece of the world and we have our piece of the world, and the two are irrelevant.”*  
(Respondent 4)

Previous studies (e.g., Qiu et al., 2014) have found a similar result that work group cohesion is an important predictor to employee turnover intention. Given that colleagues see each other almost every day, the difficulty of fitting in could make new employees feel out of place.

**Expectation gap.** An incongruence between expectations and reality also led five interviewees to consider leaving. Two respondents expressed their negative emotions about their job due to their perceived expectation gap.

*“The two-week orientation gave us a glamorous impression of the company. However, once I started working, my feelings were not the same as those expressed during the orientation session. If the orientation did not push people into that fantasy, there would not be an expectation gap.”*  
(Respondent 3)

*“The job description at the interview was so different from what I actually knew after I started work, and it was so much more than expected that I found it unacceptable.”*  
(Respondent 5)

This finding agrees with previous studies (e.g., Lam et al., 2003; Yang, 2008) that the unmet expectations motivate newcomers to resign. This study extended that conclusion to the Gen Z new hires. Most Gen Z newcomers are freshmen to the workplace with the lack of working experience. They are unclear about the actual job duties, but having high job expectations based on what they were taught in the universities. Hence, they are left with a sense of disparity when faced with reality.

**Low wages.** Another factor that emerged from the interviews is low wages. According to four out of twelve interviewees, they considered that their wages were not proportional to their workload. Respondents' dissatisfactions on low wages is evident in their interviews.

*“My salary is not proportionate with my job duties. As far as I know, the company pays less than the industry average for the same position.”* (Respondent 9)

This finding is in line with Qiu et al.'s (2014) discussion that salary is another key consideration in turnover, even within Gen Z.

**Job nature.** The findings show that the nature of the job contribute to Gen Z's intention to resign. Four respondents stated that their job content was highly repetitive, which made them want to switch work environments and try something different.

*“As my company is not as large as integrated resorts, the work is repetitive, making me feel like I do not have any motivation to improve. I think I was a machine in which they paid me and I worked.”* (Respondent 6)

*“My previous job basically consisted of reservation data input, answering phone calls or emails daily, and complying with a set of SOP (Standard Operating Procedures) for these tasks. But, I prefer jobs with a lot of variety or unique situations.”* (Respondent 7)

The words spoken by interviewees reaffirm Schawbel’s (2016) conclusion that Gen Z prefers workplace flexibility. If Gen Z finds a job that is too repetitive, they would consider to switch. Moreover, many respondents mentioned that resigning during probation allows them to leave with the shortest notice period, which they could utilize such time to find another job that suits them better.

**Company culture.** Two respondents mentioned that the incongruent corporate culture affects their intentions to leave the company. In the interviews, some respondents indicated that it was not easy for them to adapt to the company culture. For example, Respondent 4 said that *“The feeling I get from this company is that we have such high standards, if you cannot meet them, you can leave.”* While some respondents felt that the corporate culture of their former companies limited their performance.

*“The culture of this company is unique, with its own set of standards and relatively high requirements. When new graduates enter the workplace, they will find that many things are restricted. I don’t like this culture because it doesn’t give you much freedom to perform your strengths since you have to follow the standards.”* (Respondent 7)

This finding is similar to Qiu’s (2014) argument that cultural fit affects employee’s intention to leave. The possible reason for this is that new employees may feel uncomfortable because the company culture is incompatible with their personalities.

**Working stress.** Because of the high service standards of the hotel, two respondents reported that they often feel under pressure at work.

*“Our supervisor informed us that mystery customers would occasionally come in for a grade. They also mentioned that some of your actions may result in the hotel losing some points, which always made me stressed.”* (Respondent 11)

This finding reaffirms Park and Min’s (2020) argument that the job distress makes employees disengage themselves from work, resulting in turnover intention. Furthermore, this study enriches Park and Min’s (2020) argument by extending it to Gen Z.

**Health condition.** Two respondents also claimed that the job somehow influenced their health, which is an indicator of burnout syndrome (Ayachita & Chitta, 2022). An example was shown below:

*“Listening to the phone for a long time has caused my ears to become uncomfortable, and I feel like I have an occupational disease. The ‘beep beep’ sound usually appears after I finish work, it is a hallucination to me.”*  
(Respondent 2)

**Training.** Adequate training is also found to be essential to Gen Z. They believed that it would help them to perform their tasks independently and smoothly in the future. Respondent 4 provided a situation to describe this factor.

*“The lack of training has made it difficult for me to get on with my work. I joined just before Christmas break, and due to a large number of customers, I was forced to be separated from the trainers, so I was not trained enough and was unfamiliar with the tasks. However, they were quick to let me do the tasks on my own and then blamed me for not knowing how to do them, despite the fact that they had not adequately training me.”* (Respondent 4)

This finding reaffirms Lam et al.’s (2002) finding that training impacts new hires’ decision to leave. Sometimes, companies may be so eager to get newly-hired employees up to speed on related business, which makes new hires underperform in work and bear excessive pressure, resulting in new hires’ desire to leave. Moreover, Ozkan and Solmaz (2015) argued that a significant characteristic of Gen Z is confidence. However, the lack of work experience and insufficient training may lead Gen Z new hires to lose confidence in their ability.

**Management confusion.** Another factor that motivates Gen Z to resign is management confusion. Some respondents spoke about their confused feelings about the management style of their former companies. For example, Respondent 1 mentioned below:

*“All the employees, from agent to manager, are all inexperienced. The managers are from different hotels, so each manager has different communication and problem-solving styles. These inconsistencies have created a lot of confusion for each of us.”* (Respondent 1)

Since Generation Z is new to the workplace, the confusion and inconsistent approach of the management team can cause more confusion among new employees.

**Uncertain career prospects.** The last factor identified in the interviews is the uncertainty of career prospects. One respondents commented that he was not optimistic about the future of the industry.

*“In my opinion, the future of the industry is not clear, and there is not enough space for development.”*  
(Respondent 8)

This factor may be emerged due to the impact of COVID-19 pandemic. During this period, mass tourism is crippled and the pace of tourism recovery is still vague. The uncertainty of tourism development may push Gen Z new hires away from the industry.

#### 4.2 Key reason for resignation

With regard to Gen Z’s key reasons for resignation, working hours and job nature were cited as the most popular reasons that encourage Gen Z new hires to actually resign. Each of these two reasons was considered to be the most critical factor in three respondents’ resignation decisions. Other factors, including low wages, expectation gap, uncertain career prospects, and inability to get along with colleagues, were also reported to be the key reason that links to other respondents’ turnover decisions. Table 2 outlines respondents’ mentioned factors of turnover intention and their key reasons for resignation. Furthermore, many interviewees indicated that resigning during probation enables them to leave their positions with the shortest notice period, allowing them to seek better career opportunities as early as possible.

**Table 2: Linkage of turnover intention and action**

	Mentioned drivers of turnover intention	Key reason for resignation
<b>Respondent 1</b>	- Working hours - Management confusion	Working hours
<b>Respondent 2</b>	- Working hours - Job nature - Health condition - Working stress	Job nature
<b>Respondent 3</b>	- Inability to get along with colleagues - Expectation gap	Expectation gap
<b>Respondent 4</b>	- Working hours - Inability to get along with colleagues - Low wages - Health condition - Training - Company culture	Low wages
<b>Respondent 5</b>	- Inability to get along with colleagues - Expectation gap - Low wages	Expectation gap
<b>Respondent 6</b>	- Working hours - Inability to get along with colleagues	Working hours

	- Job nature	
<b>Respondent 7</b>	- Job nature - Company culture	Job nature
<b>Respondent 8</b>	- Working hours - Management confusion - Uncertain career prospects	Uncertain career prospects
<b>Respondent 9</b>	- Working hours - Expectation gap - Low wages	Low wages
<b>Respondent 10</b>	- Inability to get along with colleagues - Working stress	Inability to get along with colleagues
<b>Respondent 11</b>	- Expectation gap - Job nature - Low wages - Training	Job nature
<b>Respondent 12</b>	- Working hours - Expectation gap	Working hours

### 4.3 Current retention strategies

This study also investigated the current strategies used for retaining new hires during their probationary period. The result showed that some employers in Macao’s hospitality industry did not make any effort in retaining the new hires, while others provided career development-related retention offers.

Although not every respondent received retention offers from their employers, all of the respondents mentioned that they had a conversation with department managers after requesting to resign. Respondents were asked about the reasons of their resignations and their future plans. However, since most of respondents expressed a strong will to leave, their departmental managers did not provide any concrete measures to keep them. Instead, some departmental managers shared their industry insights with the respondents and accepted their resignation requests with blessing and encouragement. As Salum (2019) stated, probation is a period for both parties to decide whether they are the right match. When an employee shows strong desire to leave, employers know that these determined employees are difficult to retain. Therefore, hotel managers offer advice as an experienced individual and wish new hires well in the future instead of providing any retention offer.

In contrast, four respondents indicated that their departmental managers provided career development-related retention offers based on their needs after the conversation, such as opportunities to transfer department, changing position, and promotion in order to retain them. Respondents who were provided these retention offers are mostly good performers, thus, their employers want to retain them by providing a clear career path. For example, regarding the department transfer, Respondent 3 stated: *“The HR department informed me that a vacancy would be available soon, so I would have the opportunity to be transferred as HR officer after working at the F&B department for a while.”* Respondent 5

revealed that her manager offered her a position change, which allows her to try another position that she would not need to stand for long hours. In terms of promotion, Respondent 9 spoke about being promised for a future promotional opportunity if she decided to stay because of her excellent performance.

#### **4.4 Effective retention strategies**

From the interviews, Gen Z new hires suggested several effective retention strategies that would encourage them to stay. First, four respondents claimed that providing a higher salary with reasonable workload is effective to make them stay. Respondent 9 exemplifies this strategy: *“If the company can offer a decent wage and reduce the workload, I’ll gladly stay because this hotel brand is, in my opinion, a precious experience for my career.”* Second, better work schedule arrangement, such as advance notice for roster and more humane work shift schedule, would be another effective strategy. As Respondent 12 said, *“work schedules can be arranged as early as possible.”* Respondent 1 also stated: *“The schedule between shifts should be set properly to give me enough time to adjust my work and rest between them.”* These two strategies are consistent with prior literature (e.g., Dwesini, 2019; Marinakou & Giousmpasoglou, 2019). This study also confirms the effectiveness of these two retention measures to those who resign during the probationary period. Third, employers should ensure that the actual job duties performed by Gen Z new hires are as told and promised before coming on board. As a new finding to the extant employee retention literature, this finding suggests that Gen Z value the promise about job duties that the employers make before they sign the employment contract. This strategy is believed to be effective in narrowing the expectation gap and informing Gen Z about the job nature in advance so that they could make informed decisions regarding the job offer.

### **5. CONCLUSIONS**

#### **5.1 Managerial implications**

This study provides two important implications for hospitality employers who want to better retain Gen Z to avoid young talent drain. First, it is critical to let Gen Z fully understand the actual job-related facts during the recruitment and pre-employment stage to avoid expectation gap that causes job dissatisfaction. Employers in the hospitality industry can emphasize the detailed job duties, working hours, and possible career path during job interviews and employment contract signing process to ensure that the Gen Z candidates are fully informed and understand such job-related facts. Not only does this advance transparent communication help Gen Z to make informed decision about the job offer, but it also helps employers to manage Gen Z’s expectations regarding the job. Second, providing adequate and ongoing communication, training, and social support to Gen Z could help these freshmen to easily assimilate the work environment and company culture. In this regard, adopting the mentorship approach may be a possible solution that allows Gen Z to receive appropriate training and establish

quick rapport with their mentors simultaneously. Moreover, their mentors could serve as the starting points which welcome Gen Z to blend in the team, thereby enhancing their satisfactions toward the work environment.

## **5.2 Contributions**

This study sets out to explore the factors that influence Gen Z new hires' turnover intentions and behaviors, as well as identify effective retention strategies from Gen Z's perspective. Academically, the findings of this study reaffirm previous research findings about the influence of various factors, such as working hours, job nature, low wages, working stress, health condition, expectation gap, training, company culture, and management confusion, toward employees' turnover intentions (Park & Min, 2020; Qiu et al., 2014). Moreover, these factors were found relevant to Gen Z's turnover intentions and behaviors during probationary period in this study. This study also contributes to hospitality literature by adding two new drivers of turnover intention, including the inability to get along with colleagues and uncertain career prospects, to the framework in Park and Min (2020). The practical contribution of this study lies in offering employers in the hospitality industry a deeper understanding of the Gen Z workforce, which guides them to formulate better HRM strategies to enhance Gen Z's job satisfactions, thereby retaining these young talents and avoid workforce bubble.

## **5.3 Limitation and further research**

This study has several limitations. First, this research was geographically limited to Macao, so the findings may not be generalizable elsewhere. Future research can replicate this study in other geographical regions to generate a more comprehensive understanding about Gen Z turnover intentions and behaviors. Second, respondents in this study were born between 1995 and 1999, which did not include representative of all years within the generation. Because of technological developments, changes in lifestyle, and other different environmental contexts, Gen Z individuals born in different years may have different perceptions and behaviors. Future researchers should consider covering a wider range of Gen Z members in their studies. Lastly, building upon this exploratory study, conducting quantitative studies with factors identified in this study for validation is valuable to produce a more generalizable conclusion.

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