

THE IMPACT OF COVID19 AND REBUILDING THE WORKFORCE IN HOTEL
TRINITY AT CENTRAL LONDON

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Module: Personnel Resourcing and Development

Module Code: BMIH5005

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Personnel resourcing and development is one of the central aims of human resource management (HRM) since one of the purposes of the discipline is to ensure the recruitment of skilled and committed employees while keeping them motivated. In this regard, the employee lifecycle model (ELC) is a potent tool to understand stages that employees undergo in the process of actively engaging with an organisation and these stages are: 1) Attraction, 2) Recruitment, 3) On-boarding 4) Development, 5) Retention, and 6) Separation. Given the complexities associated with employment, as Sobaih *et al.* (2010, p. 12) note through the example of part-time employees in the restaurant sector of the UK, the organisations need to appreciate the stages of ELC as critical factors that contribute to their productivity irrespective of the sub-groups of the employees.

The impact of Covid-19 on the UK labour market, according to a report by Powell and Francis-Devine (2021, p. 4), can be characterised through young and older workers leaving employment, furloughing of almost 1.6 million jobs under Coronavirus Job Retention Scheme (CJRS), the opening of the fifth grant of Self-Employment Income Support Scheme (SEISS), and disproportionate economic impact on women, minority, and disabled workers. In this context, this essay aims at highlighting the impact of Covid-19 on the employment scenario of Hotel Trinity, which is located in central London. With the help of the PESTLE framework and ELC model, this essay aspires to analyse the impact of Covid-19 on personnel resourcing and development of Hotel Trinity.

The report by Powell and Francis-Devine (2021, p. 5) further notes that, after the outbreak of the pandemic, the decline of the employees in payrolls are steep and reached about 652,000 employees in May 2020 from 969,000 in February 2020. The statistics, thus, show that the organisations are in want of cash flow, which is an indicator of the post-Covid-19 labour market of the UK. In the hotel industry of the UK, it is evident that the decline in payrolls has severely affected the young workers since, according to Henahan (2021, p. 3), they constitute two-thirds of the total payrolled employment in the market. This situation is exacerbated by the fact that the hospitality and leisure industry is amongst the lowest-paid sectors and, hence, the younger workers has to work more for lesser rates of pay (Henahan, 2021, p. 3). Keeping the factor of redundancy for the next segment, one of the immediate consequences to this factor is that the workers either left employment or become

inactive in economic terms. Apart from that, this factor led several outlets in the sectors to take the decisions of permanent closure. The outlets that were still open render keeping employees in payroll “untenable”, as Allas *et al.* (2020, p. 5) note, mostly due to the subsequent decline in customer demands, and hence, revenues.

The level of redundancies reached its highest at 402,000 between September 2020 and November 2020 “since records began in 1995” (Powell and Francis-Devine, 2021, p. 9). According to Petzer (2020, p. 1), since the airlines are the first industry to declare redundancy, it affected the hospitality industry directly, and, hence, “thousands of service staff face job losses”. This also led several young and older workers to leave the industry, which causes a steady rise in the unemployment rate in the UK. The hike in redundancy especially hit the employees on payroll while putting several businesses under pressure (Thomas, 2020). As the next segment will note, furloughing for the long-term as a strategy for job retention has also kept businesses under intense pressure.

The furloughing scheme under CJRS was valid up to September 2021 where the government was committed to cover 80% of the employees’ wages through the grant up to June (Powell and Francis-Devine, 2021, p. 13). As cash flow dried up for an uncertain period, this furloughing scheme came as a big shock for the businesses. Until the easing of Covid-19 restriction in summer 2020, according to Hutton and Foley (2021, p. 3), the “economic output in the hospitality sector was down by 90%”. However, without the reliefs that the employers in the sector have received in terms of “reduced VAT rates”, “Eat Out to Help Out Scheme”, separate business grants, and business rates relief, they would not be able to survive this blow of long-term furloughing (Hutton and Foley, 2021, p. 3).

As a direct result of the lockdown that was imposed to curb the pandemic and an indirect outcome of the furloughing scheme, a steep decline of working hours also become an indicator of the labour market of the UK during Covid-19 (Powell and Francis-Devine, 2021, p. 10). The reduction of working hours reached its highest at 845 million hours in April-June 2020 since 1994 (Powell and Francis-Devine, 2021, p. 10). However, as Pope and Shearer (2021, p. 10) note, the provision of part furloughing where the government is responsible “only for the hours not worked” prevented several employees from becoming completely inactive.

Political factors - The political and economic stability of the UK is visibly in decline, especially due to uncertainties associated with Covid-19 statutory measures. Moreover, the closure of international borders caused a reduction in footfalls of guests in Hotel Trinity. According to Roy *et al.* (n.d.), there is an evident decline in revenues per-available-room (RevPAR) in major hotels, which reached its highest since the UK economic recession of 2008.

Economic factors – As mentioned earlier, there is a gross decline in the economic output of the hotel industry after the declaration of statutory restrictions, which is reflected in the performance and revenues of Hotel Trinity. Moreover, premium-priced entities similar to Hotel Trinity were not in the list of popular choices, as the disposable income of the potential customers shrank considerably. Moreover, as Mayhew and Anand (2020, p. 7) have noted, the economic stability of the country was severely disrupted because of the "supply disruption and rising global prices".

Social factors – Due to the impact of Covid-19 on culture and lifestyle, it is evident that that will follow to influence the spending habits as well. It is easily assumable that, due to the restrictions on mobility and gathering, the customers will be more prepared to spend on leisure activities. Now, since the hotel chains do not have services that they can offer through online platforms, the industry was destined to be hit massively by the outbreak of the pandemic. Moreover, as predicted by Gursøy and Chi (2020, p. 527), the recovery will not be immediate, due to the immense awareness of the customers regarding the consequences of travelling to destinations amidst Covid-19.

Technological – One of the optimistic aspects of Covid-19 concerning the hotel industry is that, as Jaffer (2021) notes, it led to rapid technological adoption for hotels across the world. It is directly associated with the brand experience of the customers as well. No-contact booking facilities through the integrated online platforms are not only appearing favourable for the customers in the first phase of recovery but will also supplement staff efforts in favour of the businesses.

Legal – The primary legal aspect that directly hinders the operations of the hotel industry in the UK is the statutory restrictions regarding the gathering and social distancing, though, according to the Night Time Industries Association (NTIA), there is no evident trace that hotels are responsible "to the spread of Covid-19" (BBC,

2020). However, as the country is in the way of easing the restrictions, it will be a favourable move for large hotel chains like Trinity. It will be mandatory for the staff to comply with the Covid-19 rules including frequent sanitisation and wearing masks.

Environmental – Though it is true that the environmental impact in the current case is not applicable, it is evident that the outbreak of Covid-19 transformed the workplace environment into a place that is fraught with risks (Gorgenyi-Hegyes *et al.* 2021, p. 2). This will influence the retention of employees in terms of the ELC model on which the next segment will focus.

Attraction – Attraction in the ELC model is deeply associated with projecting the brand, especially referring to the positive aspects of the workplace as well as the accomplishments as a brand (SpriggHR, 2020). Hence, the impact of the post-Covid-19 environmental culture in Hotel Trinity, as it is evident from the analysis; might hinder attracting new talents to it. However, it is evident that, though the organisational culture is deterrent to attract new talents, the existing achievements that contribute to the brand awareness of Hotel Trinity can be strategically used to attract them. Nevertheless, as the hotel rooms are remaining empty, as Davahli *et al.* (2020, p. 2) note, the fresh talents are opting for inactivity.

Recruitment – The impact of Covid-19 on the recruitment process of Hotel Trinity shows some positive dimensions in terms of diversifying the platforms for recruitment. In the case of recruitment, the diversifications of platforms are chiefly associated with alumni engagement (AACSB Staff, 2021). It is because the impact of Covid-19 has completely restricted the scope of recruiting from foreign countries. Moreover, due to heavy furloughing, the scope for new recruitments has also been reduced in Hotel Trinity.

Onboarding – The process of onboarding is similar to the process of induction where the employees get familiar with the vision and values of the company. Due to the uncertainty in the employment scenario, the HR managers of Hotel Trinity feel difficulty in illustrating the jobs to the recruits properly. According to Schieman and Reid (2008, p. 96), it is the source of most interpersonal conflicts in the workplace, which puts a blemish in the workplace culture of Hotel Trinity.

Development – Since Hotel Trinity as a component of the hotel industry in the UK is puzzled by other problems associated with stabilising the revenues and coping with the long-term furloughing schemes, it is evident that the scopes of personal development are decreasing in the company. According to Ristic (2017, p. 210), it is a deterrent to the motivation and morale of the employees, and, hence, can cause a steady decline in the recruitment and retention of talents. Moreover, it is also interpreted as an indicator of lack of job security in the hotel sector, and, hence, employees are afraid to join the industry.

Retention – It is already mentioned earlier that, as the workplace is fraught with the risk of Covid-19 contraction, the retention of talented staff are becoming difficult for Hotel Trinity. It has been termed as “reallocation shock” by scholars like Barrero *et al.* (2020), which is justifiable by the burden of Hotel Trinity to retain furloughed employees irrespective of their talents. This situation is exacerbated by a decline in payrolled employees and redundancies, mostly because of the lack of cash flow. However, as Hotel Trinity has been able to accumulate cash in the course of planning to reopen, it will be important for them to invest in job retention.

Separation – The foreign workers that have been declared redundant after the impact of Covid-19 in Hotel Trinity can be good references to recruiting further employees. However, as von Wachter (2020, p. 550) correctly notes, the potential entrants of the UK labour market are hesitant to apply for a job in the hotel industry due to low income and extra hours of work. Hence, in the case of Hotel Trinity, the separation of existing employees is not beneficial in terms of recruiting new talents.

It is evident from the impact of Covid-19 on the labour market of the UK that it is one of the worst-hit sectors of the UK labour market mostly due to the decline of payroll employees, increase in redundancies, and long-term furloughing scheme. The PESTLE analysis of Hotel Trinity notes that the transformation of the work environment in a frustrating place has affected the ELC in the organisation negatively. Applying the ELC model in the context of Hotel Trinity, it became evident that, without the display of stable recovery in the sector, the potential labours will not enter the market as well as no benefits can be derived from the separating employees.

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