

**Impact of Current Challenges on The Human Resource Department on
Employee Retention: A Study On Travelodge**

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1.0 Introduction

1.1 Study Background

The UK tourism sector has been showing a lot of good service to tourists throughout the decades; around 40 million people visit this country from around the world. It has been seen that about 40.1 million people travelled to the UK in 2019 with about 234 billion pounds, where foreign tourists spent one-tenth of this amount (Statista, 2022). The higher efficiency of the service of the employees working in this sector has made this sector too attractive to visitors. But Covid and other issues caused some hassle in the continuous growth of UK tourism, for the deadlock situation in 2020 and 2021 created some challenges in the UK tourism sector. The pressure from Covid Pandemic, Brexit, and the worldwide recession caused by the Ukraine-Russian war has worsened the situation where businesses struggle to ensure their survival and growth by motivating and retaining employees (The official tourism website of Great Britain 2022). The competition for skilled employees and secret workplace information can be a greater threat to organisational competitiveness, where businesses consider employee turnover a very negative issue for the operation. The covid and Brexit situation has increased employee turnover by showing the negative side of the service sector, where many organisations have faced the problem (Zhong et al., 2021). Tourism organisations have shown selfish behaviour towards employees, where employee retention has been a great challenge for the human resource department of tourism businesses like Travelodge in the UK. This study will cover the challenges for Travelodge's in-depth analysis to provide suggestions for the management to overcome the situation. This study will cover the overall detail, including the PESTEL analysis and SWOT Analysis of Travelodge in the United Kingdom to enhance its employee retention rate.

1.2 Company Background

Travelodge Hotels is a privately owned hotel business operating in the UK, Ireland, and Spain with its hotel chain business, where it has around 600 hotels in the service locations. Travelodge Hotels has been working since 1973 and is headquartered in Thame, United Kingdom, where its chairman is Keith Hamill. Travelodge made an annual revenue of £153.5m in 2019, showing a sharp decline in 2020 and 2021 due to the covid deadlock situation (*Travelodge*, 2022). It employs about 12000 employees, and the turnover rate has increased significantly, causing stress for the management to ensure the appropriate decision-making.

2.0 Literature Review

According to Votto, Valecha, and Rao (2021), the service sector, like tourism, needs relentless service from the employees where the continuity of employment is a big concern for the management to ensure higher retention. High employee retention can make sure that the organisation is dealing with the customers efficiently by considering their requirements. Hamouche (2021) added that employee retention could enable the organisation to ensure higher customer retention as experienced employees can deal with the customers more efficiently, and customer complaints are minimal towards the skilled employees. When the employees can be retained within the operation, the chances of ensuring higher customer satisfaction and efficiency can be ensured by serving the customers better in the service, especially in the tourism sector. Vahdat (2021) argued that employee retention had become a great challenge for the management after the pandemic, where the employees are switching to other sectors for the high deadlock situation of the tourism sector. The employees are concerned about their future for fear of another pandemic, which may reduce their chances of earning, creating a temporary employee shortage in this sector. Srivastava and Eachempati (2021) also supported the statement by adding that the temporary employee shortage and turnover are becoming a great problem as employees leave their organisations continuously. The shortage of skilled employees also challenges customer retention. He mentioned that the employees facing the inherent risks of their work, the lack of support from the management, and the lack of efficiency in the recruitment process increased employee turnover in this sector. Azizi, Atlas, and Naemi (2021) concluded that the lack of managerial support, poor communication, and the lack of future opportunities increased employee turnover in the tourism sector, where Brexit and covid worsened the situation more.

3.0 PESTLE Analysis of the UK Tourism and Hospitality Sector

The UK is one of the world's largest and most economically sound cities, with a population of 10.3 million and the official language of English. The PESTEL analysis shows the overall macro environment of the UK through a thorough analysis of the environment. The analysis shows the following outcome by using PESTEL Framework:

Political factors: the UK is one of the countries with a structured government and higher stability in its decision-making. It was the country with the highest ranking to be the most politically stable country. The government is trying to increase the facilities for the business by increasing their amenities to reduce the negative impact of Brexit on the UK economy, which can help the Tourism businesses to get better government support to avoid the shortcomings of the Brexit and Covid pandemic (Azizi, Atlasi, and Naemi, 2021). But the political unrest in the international region is hampering the economic growth and the free market opportunity for the EU business if the Brexit trade-off isn't fixed accordingly. The lawmakers are focused on ensuring the boom in the business flows through increasing the facilities and developing proper business support from the legal framework it develops.

Economic Factors: The economic factors of the UK are going through an unstable as it is facing pressure due to the covid and post Brexit effect on the overall economy along with the other countries of the world. The nominal GDP of the UK was £2 trillion in 2019, which helped it become the 6th largest world economy. The per capita income was about £29690 for the high income and consumption by the locals and the foreign population in the UK (Islam et al., 2022). The market is diverse; any good-quality business can endure its competitive advantage by attracting an appropriate customer base in this tourism sector. The higher number of FDIs is developing the UK's economic infrastructure, though it may get the pressure if no-deal Brexit occurs. The government has reduced the tax rate to 18% from 19% to tackle the pressure of covid and Brexit by attracting more investors in the UK (Statista Research Department and 18, 202). The inflation rate of 11% is quite problematic, creating pressure on the business to boom though the unemployment rate increased to 4% from 3% during the covid pandemic's waves.

Social Factors: The social factors of the UK shows that the customers want the business to serve with premium quality which may not affect their purchasing capabilities for having a high focus on product quality. The statistics show that the approximate population of the UK will be about 74 million within 2039 due to the high number of foreign residents and the low mortality rate, which is a prospectus for future tourism businesses in this country (Jayathilake, Daud, and Annuar, 2021). The UK is getting huge acceptance from foreign labour due to better market opportunities, and the pressure from the local employees be avoided here. The customers are quite stable with the uniform inflation and per capita income that can help Ivory to remain successful in its operation.

Technological Factors: UK is the birthplace of many technologies where businesses can ensure a better competitive advantage by advancing the technology while operating their activities. Businesses are improving their product and operating capabilities through higher investment in research and development to ensure a competitive advantage (Raid and Alzoubi, 2021). A considerable investment in research and development can help businesses to get a competitive fit over the established market competitor. Businesses are trying to ensure a better competitive advantage over others through continuous improvement in the product. That's why businesses must continuously improve their technical aspects to ensure success in the competition.

Legal Factors: The UK service sector's legal factors can support tourism businesses as they are getting government support to avoid pressure from the external environment (Vahdat, 2021). The protectionist laws to save the employees' rights and as well as the employers through labour law implementation are making it a well-structured law to support workplace equality in the tourism sector.

Environmental Factors: The global pandemic and the warming is causing a high focus on sustainability, where the tourism businesses are putting extra effort into supporting an environmentally balanced situation (Zhong et al., 2021). Tourism businesses are working to ensure waste minimisation, environmental pollution reduction, and the recycling of energy to ensure compliance with the sustainable goals set by the government.

4.0 SWOT Analysis of Travelodge UK

Travelodge has been working very efficiently in the UK tourism and hospitality sector. The continuous effort to increase customer satisfaction from employee involvement and service innovation shows some prospects for Travelodge in the UK tourism sector. The SWOT analysis shows the following:

Strengths	Weaknesses
1. Travelodge has a better brand image to the customers with a high reach to the local and international visitors 2. Travelodge has affordable room rent compared to the other businesses in the hospitality sector (Zhong et al., 2021). 3. The convenient and quick booking service through using the business account card seems appealing to the customers. 4. Travelodge has been very dedicated and committed to sustainability through using the Travelodge Green Program, which attracts the environment-cautious customer segment	1. Travelodge has a limited market share instead of having a strong brand image 2. The extent of innovation is limited compared to the other businesses in this sector (<i>Travelodge, 2022</i>). 3. Travelodge doesn't have fancy decoration and aesthetics compared to the other luxurious hotels. 4. It can't be an ideal deal for the large group or families demanding more rooms or space (Statista, 2022) 5. Lack of Human Resource efficiency to support the employee skill development
Opportunities	Threats
1. Travelodge can expand its operation in other countries by using its low-cost operation efficiency (Zhong et al., 2022) 2. Travelodge can provide high-quality customer service if it can adopt better technology like the competing businesses 3. Travelodge can face better efficiency to serve the budget customer bases	1. The government instability and international issues are causing pressure on the hospitality businesses like Travelodge 2. The high competition from other luxury businesses, along with their technological improvement, is causing some threats to its operation (Hamouche, 2021) 3. The high turnover rate among the employees

5.0 Potential Solutions to Overcome the Employee Retention Challenges

Travelodge is facing huge pressure from employee turnover, which is the primary problem of other hospitality businesses. The following solutions may be effective in overcoming the challenges caused by employee turnover within Travelodge:

1. The management should increase the managerial support to the employees within Travelodge to ensure that the employees get the proper solutions while facing the problem while working here.
2. The management should be communicative to enhance the workplace collaboration and efficiency of the employees to increase the retention
3. The management should increase communication with the employees to develop a supportive workplace environment. The employees getting favourable work conditions can remain within the operation, with higher recognition.
4. The management, through effective communication, can increase employee retention and involvement if the management works to develop their motivation in Travelodge.
5. Another important issue is the career growth opportunity, and the smooth future ahead can help Travelodge enhance employee retention. The employees who can ensure higher growth can remain within its operation if Travelodge can provide career-focused training and assurance of their job to some extent.

6.0 Findings and Recommendations

The following findings and recommendations can be drawn from the assessment:

The tourism sector employees are facing huge turbulence in the sector in which they work because of issues such as covid and Brexit, as well as the Ukraine-Russia war, creating uncertainty in their job. Travelodge should increase employee engagement through continuous communication to ensure career growth and job security to enhance retention.

Travelodge should be careful in developing the workforce, where recruitment and motivation can play a crucial role. The proper identification of potential employees in operation can ensure higher workplace retention within Travelodge if the management can provide better employee motivation and growth prospects.

The economic turmoil situation is worsening where the tourism can face some long-term pressure to get better performance through utilising the market opportunity. Travelodge should work on increasing employee engagement and efficiency within their assigned roles to increase their skill and confidence to stay within the operation to avoid the economy's shortcomings.

7.0 Conclusion

Employee turnover in the UK tourism sector has increased after the pandemic, where the global crisis has increased the intensity of the problem. The tourism sector is facing a tremendous crisis for the high employee turnover rate, where the success of a tourism business depends on how its employees serve the customers. That's why Travelodge should highly appreciate skilled employees, as the high employee turnover rate is increasing the pressure on the management to ensure quality customer service. Continuous communication with the employees can increase efficiency during service time and customer satisfaction.

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