

Title: 'Review and Analyse the current challenges facing hotels in managing their employee turnover in the UK'

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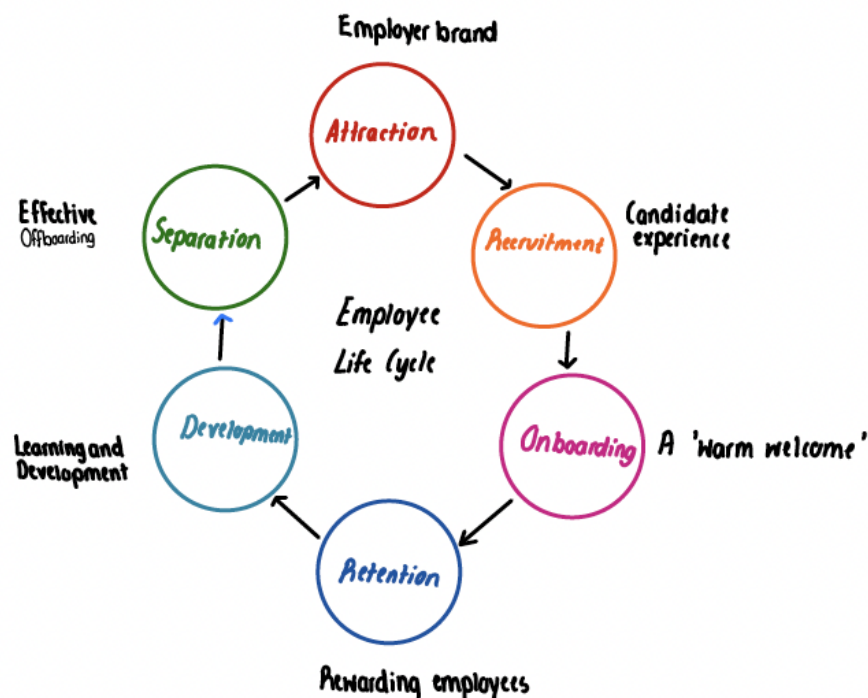
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Employee turnover is the proportion of employees leaving an organisation over a given time period. A unique workforce challenge for the UK hospitality industry is its high employee turnover of 30%, double the UK average (Birkin, 2019). Thus, a key issue confronted by the hospitality industry is the building and maintenance of a sustainable team, and the elimination of employee turnover intentions. This essay will use examples of hotels to critically evaluate their current challenges in maintaining employee turnover in the UK, and their subsequent impact on the employee life cycle (ELC). In an ideal scenario for an organisation, employees remain with them for a long time period. In the modern-day climate however, the concept of long-term job security is less prevalent: employees arrive, meet targets then move onto the next stage of their career. This can be described by the ELC, a human resource management model describing the various stages employees experience with an employer, and their engagement with the organisation, consisting of the pre-inception stage to the last lap stage of post-employment (see figure 1). The benefits of retaining a skilled workforce, and increasing future resiliency within the organisation, will also be discussed.



One of the most significant current challenges influencing employee turnover is COVID-19. The pandemic exerted the greatest adverse effects upon the hospitality

industry - bars and clubs fared the worst, closely followed by hotels (ONS, 2021). Some employers had to consider redundancies to enable business continuity, with the Marriott having to furlough a number of its employees. This type of job insecurity was found to significantly decrease the engagement of employees and increase intention of turnover (Jun et al, 2021). Further challenges include staff recruitment and retention - employees may voluntarily leave due to the perceived insecure and unstable atmosphere caused by the harsh operational environment caused by COVID-19, resulting in psychological distress and anxiety. Many hotels also served as isolation sites for individuals suspected to be infected by COVID-19. Thus, after healthcare practitioners, workers in hospitality and tourism were next at risk of contracting COVID-19 (Bajrami et al, 2021). Further evidence of the acute importance of the working environment is shown by a study (Abdou et al, 2022) involving 413 resort employees from destinations in Egypt (Sharm el Sheikh, Hurghada). They used Structural Equation Modelling to show that the hospitality work environment highly significantly impacts the turnover intention of employees, and work-family conflict. Staff may also be anxious about face-to-face service provision to normal customers due to the sometimes asymptomatic nature of the virus. They may also experience challenges in engaging customers: at the Marriott, the stringent health and safety measures (e.g. mask mandates) made it difficult to engage customers (e.g. by smiling) or led to potentially uncomfortable situations in which staff had to approach customers to tell them they had to wear masks. A lack of financial resources during the pandemic also reduced employee salaries, such that they could only rely upon base pay from hotels (e.g. no sales incentives payments or bonuses). The UK's ONS (2021) reported consumer spending in hospitality to be less than 70% pre-pandemic - research suggests it could take until 2023 (Krishnan et al, 2020) until recovery to pre-pandemic levels.

Another significant challenge impacting employee turnover is the 'Brexodus' of EU workers, with hotels experiencing skill and labour shortages. A change in legislation has restricted free movement across Europe, such that EU nationals wishing to work in the UK hospitality industry must qualify under a new white paper immigration points-based system (Gov.uk, 2018).

1. EU nationals need to secure a job prior to entering the UK with a minimum salary of £30,000 to stay in the UK for more than 12 months
2. EU nationals wanting to work in the UK without a minimum salary of £30,000 can only apply to stay and work for 12 months. They must then leave, and are unable to re-apply for entry back into the uK for a further 12 months

There was an immense scale of impact upon the industry, with most EU nationals in the UK hospitality industry working below the white paper threshold of £30,000. This resulted in over 300,000 EU workers returning to their home countries (Berns, 2021). Furthermore, these additional fears over their right to remain has resulted in EU nationals becoming wary of remaining or even entering the UK at all. In an industry already suffering from acute shortage of people and skills, it is difficult to replace skilled employees needed to maintain the high quality of service provision needed to meet customer expectations. Hotels cannot open without sufficient human resources to operate, and also affects profitability when there is a constant need to find, hire and train new employees. There are also concerns of rising labour costs in British hotels as the UK redefines its relationship with the EU (Doggrell, 2017). This is due to an increase in the National Living Wage, combined with the new requirement of offering staff higher salaries to attract/retain them and stay competitive in the tightening labour market. The further 2016 Brexit-induced exchange rate devaluation has resulted in a rise in the number of people visiting the UK. This has caused increased demand not met by sustained increases in employee retention. The fall in the pound has also resulted in an increased cost for imported goods, as well as the closing down of hotels - the supply chain of suppliers to them will stop being required, which will compound the effect through the supply chain.

Other general, current challenges influencing employee turnover intentions are a lack of career opportunities and organisational changes. Other reasons include minimum wage growth, unclear job expectations, low pay, lack of flexibility, insufficient communication, job insecurity, irregular shifts etc. Employee disengagement occurs following employee disconnect with their managers, an unhealthy work environment or lack of recognition. Good coworker relationships are important because they make new employees less susceptible to problems increasing likelihood of turnover. Coworker attachment is especially important for

younger individuals still constructing their social circles - older people with families usually do not need the same social aspect in the workplace as they are satisfied through other relationships. This may cause 'turnover contagion' - when key employees leave, others tend to follow. Research shows that women and LGBTQ individual are disproportionately subjected to factors like discrimination, exclusion, and barriers at work e.g. merely 25.5% of leadership positions in hospitality being occupied by women (PwC, 2020). A lack of family-friendly policies in hotels means women cannot commit to the same long hours or demanding shift pattern after starting a family. Some suggest this is due to a lack of leadership, with few CEOs making their stance on improving gender representation clear (Muller-Heyndyk, 2018). Improving diversity and inclusion (D&I) is paramount to the success of an industry wanting to attract talent, with 80% of millennials believing an employer's policy of D&I is important when choosing whether to work for a company or not (PwC, 2020). This has resulted in hotels like the Hilton and Odeon signing a charter which commits them to increase accessibility of senior roles for women. However, a report examining racial inclusion and career opportunities for ethnic minorities (Gatling, 2020) saw the Hilton receiving a grade F, Wyndham D, Hatt C, Marriott C when it came to the proportions of african americans. Racial discrimination was found to adversely affect career satisfaction amongst minorities in the hospitality industry - career satisfaction has significant links to employee turnover and service recovery, consequently having huge impacts on finance and customer satisfaction.

It is important to recruit/retain the right individuals for organisations with the right skills/capabilities to deliver their goal. Employee retention is the voluntary process by which an organisation avails environments encouraging employees to remain with the entity for the maximal period of time. Low voluntary employee retention is costly for employers looking to find replacements to emulate the same level of talent due to direct costs, work disruptions, losses of organisational memory and seasoned mentors. This is because employees leaving results in loss of institutional memory, talent, relationships and experiences. As the position remains unfilled, hours of lost productivity increase - this has a domino effect because employees left behind pick up the workload and may burnout/do overtime, reducing overall productivity and producing low-quality work and delays. There is also an opportunity cost - the organises could lose the potential value an employee may have delivered had they

stayed. Additionally, the cost of replacing employees can surpass 100% of the yearly salary for the role being filled due to the advertising, interviewing, onboarding and training taking many hours. It also takes around 1 to 2 years for a new hire to achieve the productivity of an existing employee (GoConqr, 2016). Inexperienced employees can reduce service quality by taking more time to get tasks done, be less skillful at problem-solving and more likely to make mistakes, reducing revenues and also take longer to build relationships with coworkers and customers. Thus, implementing effective practices involved with HRM are necessary to empower the organisation to secure a competitive advantage, meet stakeholder expectation, and hire, engage and retain the right talent with reduced costs and greater sales growth. This is because increased employee retention results in greater organisational performance, competitiveness and productivity. It also improves team morale following retention of valued employees, enabling greater connectivity and engagement thus, creating contagions of positive emotions in the workplace. There is improved customer experience and satisfaction as long-time employees have greater ability to solve more complex problems. It is also associated with greater employee engagement, associated with better health of employees, satisfied/content employees, lower levels of absenteeism, greater loyalty of customers and employees, customer service, and higher profitability. There is further increased revenue from reduced cost of hiring, increased productivity and delivery of superior customer experiences.

Resiliency is a characteristic enabling employees 'to adapt, cope, gain resources and respond positively to stressors in the workplace' (CIPD, 2021). Developing a resilient approach is valuable preparation for incremental change or unexpected disruptions in the workplace (e.g. COVID-19) needed for organisations to survive and prosper. Successful employee retention programs needed to build resiliency take significant effort, executive and targeted oversight. However, this key to building a financially sound organisation to retain top talent, and gain large rewards e.g. better corporate performance, higher productivity, better quality of work, greater satisfaction of employees, better customer experience. Employees that feel respected/trusted, are compensated fairly and have opportunities to use their talents/skills have a more positive experience, which boosts their engagement and satisfaction. This makes employees more motivated, have the ability to adapt to

change which makes them less susceptible to burnout. They are able to better handle challenges, have improved communication, reduced burnout, create a competitive business, set realistic expectations, develop between workplace relationships, have good organisation and time management, as well as better ability to ask for help when needed (Burton-Hughes, 2020). There is also a close interlink between resilience and overall employee health, particularly mental well being. Better mental health is more likely to reduce absenteeism and presenteeism, improving employee performance in the workplace. The key way to build reliance individually in the workforce is to focus on its core elements: personal emotional wellbeing, inner drive, future focus, strong coworker relationships and good physical health. Other strategies include leaders offering education or training in workplace mental health, focusing on the work environment, creating flexible working arrangements, providing access to services promoting wellbeing (e.g. fitness, options to relax in the office), free counselling or policies to sway pay for leave.

In conclusion, this essay has reviewed and analysed the main current challenges facing hotels in managing their employee turnover. A high rate may have adverse effects when recruitment is costly, it takes several weeks to fill a vacancy or skills are scarce - this effect is greater when employees have more specialist skills or have developed strong relationships with customers. This is a common characteristic of the hotel work environment, consisting of long, irregular, unsocial working hours, work under pressure, irregular holidays, heavy workload, family-unfriendly work shifts, job instability and low security, low salary as well as seasonality - these are usually key predictors of employee turnover intentions. This essay has focused specifically upon the COVID-19 pandemic, Brexit, and general issues as well as discrimination in the workplace. If taking a critical approach, one could argue that the COVID-19 pandemic had a more significant impact than Brexit. This is because whilst post-Brexit shortages had been expected for some time, the unanticipated pandemic has only multiplied difficulties. In addition to basic pay and benefits, an organisation could also consider the following to improve employee retention: flexibility, treating people fairly, focusing upon employee wellbeing, consulting employees, and enabling career development and progression. Good employee retention is beneficial because it increases employee loyalty, decreases recruitment costs, enables the coordination of a highly skilled workforce, increases productivity,

reduces transitions and employment gaps, improves customer and coworker relations, creates a positive company culture, a better brand reputation, as well as maintain consistent processes and systems within the organisation.

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