

The impact of current challenges facing hotels in their employee turnover in the UK



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1. Introduction:

The hotel sector is beset by organizational and situational factors issues, such as low performance, significant labor turnover, inadequate compensation, uncomfortable working conditions, and restricted prospects for professional growth. (Redmond,2022). In recent decades, immigration, labor mobility, and Brexit are social, economic, and political challenges that have affected the worker profile of the hotel sector. (David et al,2021) The hotel and tourist industry is seen as reliant on technical skills, whereas the majority of the work is low-wage and needs few conceptual or knowledge-based traits (Marchand,2019).This study investigates how hotels in UK find talent, implement talent management (TM), and retain talent, with an emphasis on retention techniques that reduce employee turnover. This study begins by examining workforce turnover and hotel management challenges in UK. Then, it examines the literature on talent and TM in the hotel industry, with an emphasis on talent retention.

2. Literature review:

According to David et al.,(2021), customers in the "experience economy" desire more power and control over their interactions. This impacts personnel who interact with customers, who must now facilitate co-creation. This improves technical abilities, particularly for occupations requiring expertise. Allen et al.,(2012) mention low compensation, unpredictability, and a lack of work-life balance as challenges within the sector. Antisocial hours, large numbers of contract employees (Lloyd,2017), and extremely repetitious labor contribute to one of the industry's main problems: excessive personnel turnover (Allen et al,2012). The company hires migrant labor to satisfy fluctuating demand, which raises human resource difficulties. Industry needs solutions. In the midst of intensifying job competition, businesses are searching for methods to recruit qualified workers.

Employers are under pressure to manage staff through diversity management (Lloyd,2017). The age, racial, and cultural diversity of the workforce generates tension. According to Allen et al.,(2012), "talent" in the hotel and tourism industries is distinct from that in other fields. In this context, defining talent demands inclusion and a flexible approach to training and development (Lloyd,2017). In addition, he recommends that hospitality businesses develop distinctive staff retention techniques. Using empirical data, this study seeks to define talent and talent management in the hospitality industry, namely the hotel sector. Talent and talent management (TM) have grown in popularity over the last decade (Lloyd,2017), but they lack the intellectual and theoretical foundations necessary to continue their growth (Redmond,2022). Lloyd(2017) relates TM to human resource management. According to Mason et al,(2015), the industry is in its infancy and requires a standardized definition of talent and TM. Despite stated prohibitions, research indicates that these regulations do not mirror firm practices (Allen et al,2012). Redmond(2022) discovered a paucity of empirical research on how companies view talent and TM. Even fewer studies concentrate on talent retention, despite it being the primary objective of personnel management (Mason et al,2015). Mason et al.,(2015) all recommend investigating how talent is perceived, managed, and kept. According to Lloyd(2017), there are few hotel TM studies. According to Mason et al.(2015), TM is unlike conventional management literature. Since the majority of published content originates in the United States, it is essential to examine many locales and points of view (Mason et al,2015). According to Mason et al,(2015), the majority of TM literature focuses on American multinational corporations. Europe and Britain get less attention.

According to the Boston Consulting Group, talent management is one of Europe's top five HR concerns (Redmond,2022 ;Chatzoglou et al,2022)). Despite this, few relevant empirical TM studies exist. Mason et al,(2015) inquire as to whether TM techniques found and advocated in other cultures are applicable to the Anglo-American culture. In 2017, Lloyd,(2017)performed a research in the United Kingdom. According to their concept, the first stages of human capital are distinct for small and medium-sized businesses as compared to multinational corporations. Although TM receives much attention, little is known about how it operates in reality (Lloyd,2017), particularly when comparing TM practices across nations.

2.1 Employee turnover in hospitality:

According to the conclusions of a survey done by KPMG (2016), the greatest problem hospitality companies will face in the near future is attracting and retaining exceptional people. (Redmond,2022; Mason et al,2015) It is now widely acknowledged that human capital serves not just as a buffer against the uncertainty of the surrounding environment, and also as a source of sustainable competitive advantage. (Allen et al,2012). The hotel sector has a high staff turnover rate, which often results in the loss of talent that may have contributed to the company's competitive edge (Allen et al,2012). It is well-known that the hotel business is defined by a "high employee turnover," and it is an essential element of the industry's organizational culture. (Lloyd,2017 ;Chatzoglou et al,2022). According to existing data, high staff turnover rates in the hospitality industry are attributable to a variety of factors.

Employee turnover can be caused by a variety of factors, including limited opportunities for professional advancement, a lack of specialization in skills (Allen et al,2012), inadequate compensation, trends, anti-social and lengthy shift patterns, and an absence of a healthy work-life balance. This report will talk about some of these different factors (Lloyd,2017). There is a connection between employee turnover and demographic factors such as age, duration of work, level of education, and gender. This connection exists because employee turnover and these factors are related. (Allen et al,2012). A high staff turnover rate in the hospitality industry may result in a variety of unfavorable outcomes. For example, staff turnover is connected with increased costs for the organization, the loss of expertise from experienced individuals, and a negative impact on both workplace productivity and service quality (Allen et al,2012). In a typical hotel, the annual cost to replace management and supervisory employees may be 109,909 Australian dollars, but the annual cost to replace operational workers may be 9,591 Australian dollars (Lloyd,2017 ; Ghani et al,2022). Redmond (2022) categorized the elements that influence employee turnover into two main categories: job-related factors and organizational factors. Both of these categories have been recognized as key turnover drivers. On the other side, turnover has been associated with good results, such as stimulating the production of new ideas via enhanced information circulation (Lloyd,2017). However, companies are obligated to be aware of the applicability of rules meant to retain information from departing workers in order to prevent the transfer of expertise to rivals. Despite this advantage, many in the hospitality sector see staff turnover as a significant concern, especially due to the industry's high operating expenses (Allen et al,2012). It is even more detrimental to a company when a high turnover rate affects skilled staff, since they may contribute to the company's present and future success. (Redmond,2022)

2.2 Hotels:

Allen et al.,(2012) imply that smaller enterprises may lack TM due to a lack of accessible resources. According to Lloyd(2017), TM is a complex topic that can be explored most successfully by larger companies, since they are more likely to have the resources required to apply such practices. It is projected that the luxury hotel industry will continue to see rapid expansion in the future years, making it a significant contributor to the whole hospitality sector. (Chatzoglou et al,2022) Because the notion of luxury is so subjective, it may be difficult to define precisely what a four- or five-star hotel entails (Lloyd,2017). They provide first-rate services and facilities despite the fact that managing them may be difficult and they are subject to a high degree of risk during economic downturns (Lloyd,2017). Allen et al,(2012) argue that furniture and amenities are not the only components of luxury. The hotel sector has become a way for tourists to dream about other lives (Lloyd, 2017), and customer-focused workers are essential for offering the proper service and experience (Allen et al,2012). It is an ambiguous phrase since it depends on individuals' perceptions depending on their ethnicity, culture, education, and personal experience (Allen et al., 2012). Despite the fact that the hotel business is growing more important to the travel and hospitality industry as well as the overall economy, the TM research has not yet been analyzed in detail. (Lloyd,2017)

2.3 Talent and talent management in hospitality:

Lloyd(2017)were the first to use the term "fight for talent" in a description of talent. A person's talent consists of their existing collection of talents, skills, and knowledge, as well as their potential for future development. It is widely believed that McKinsey Consultants was the first organization to provide TM as a kind of management philosophy (Lloyd,2017; Allen et al,2012).

As a consequence of the recognition of human capital as a means for companies to achieve and maintain a competitive advantage, talent is seen as a strategic asset for the competitiveness of enterprises (Lloyd,2017 ; Ghani et al,2022). Due to a lack of precise and standard criteria, there is much academic debate around the concept of talent despite the rapid development of TM across the world (David et al,2021). According to David et al.,(2021), definitions of talent rely on the unique perspectives that each person has about the nature of skill.

3. Results and Discussion:

The data analysis showed three reoccurring themes. The employee turnover rate in hotels will be discussed first, followed by the definitions of organizational talent and TM. The third includes TM components as well as staff retention strategies for hotels. Allen et al. (2012) state that, despite the fact that some TM research focuses on a wide number of countries; none of the findings can explain the discrepancies across nations. (David et al., 2021) There was a lack of promotion opportunities, organizational culture, and organizational fit, such as required perceptions toward work in the hospitality industry, the management team, pay scale, conditions of employment, familial characteristics, the establishment's location, career opportunity, and monsoon operation. These were determined to be the most important factors. Lack of progression opportunities for qualified professionals was a factor that contributed to employee turnover worldwide. Talented persons are less likely to leave their professions if they work in situations that are difficult and provide progression opportunities. These opportunities may become available as a consequence of internal promotions or activities targeted toward professional development (Allen et al., 2012). (such as hotel openings). (Lloyd,2017 ;Chatzoglou et al,2022)

Due to a lack of growth opportunities, turnover was exacerbated by skilled individuals seeking career progression. (Allen et al,2012 ;Watts,2019) They were impatiently awaiting advancement opportunities, particularly internal promotions. Culture and compatibility were also covered. Study organizations provided instruction and growth in cultural awareness, but not for individuals. (Marchand,2019 ;Watts,2019)

4. Conclusions:

According to research, the hotel business needs to cultivate a culture that is welcoming, supportive of families, and open to new ideas. Additionally, the sector needs to foster collaboration, mentorship, leadership, remuneration, long term planning, and training and development. (Redmond,2022 ; Ghani et al,2022). This study concurs with Allen et al.,(2012) that hotel managers should foster a familial environment in order to retain talented employees and increase work satisfaction. This study concurs with Hom et al,(2019) that hospitality firms should advertise their brand and HR practices in order to acquire talent. Talented persons should be empowered by policies that provide them authority and make them feel heard. Good work-life balance helps in retaining talent, especially among millennial (Redmond, 2022 ;Chatzoglou et al,2022).

5. Future study & limitations:

More study has to be done on the topics of human resource techniques in TM and employee retention on the personal, organizational, and structural levels. The literature emphasizes the significance of TM to the overall performance of an organization, particularly in labor-intensive service industries. (Redmond, 2022). Important in the hotel industry is the retention of talent (Abawa,2018 ;Watts,2019). The hotel industry may have a unique definition of talent compared to other businesses (Allen et al, 2012). Redmond (2022) discovers scant research on the talent and attitudes of line managers. There are scant empirical data on TM (Redmond,2022 ;Watts,2019), hence this study encourages more research on employee views of TM and retention tactics in the hospitality industry.

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