

Analyse the impacts of macro environment on human resources management and personal management

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Introduction

On the request of the general manager, I, the trainee manager at Pizza Hut will be conducting this presentation on the impacts of macro environment on human resources management and personnel management.

As the trainee manager of Pizzahut I have the responsibility to research and monitor external and internal influences which impact the **organization**. **This is a continuous process as the business world is always changing. The HR Manager must respond when there are issues. In order for that we must be prepared in advance to deal with the changes to ensure the organization is protected, (Olaveson, J. 2023).**

Businesses that plan and have a purpose have a greater chance of creating a long-term value generation. This will result in a greater financial outcome, better employee engagement which would mean happy employees and lead to better customer trust. Employees and customers want to know the values of the company. They need to know that their own values align with the company's own values and that there is a purpose to the existence of the company. Does it contribute positively towards society is a question they need to know. This positively leads to staff retention. This is very important as this is a challenge that the food and hospitality industry are facing. (Komm et al., 2021).

Pizza Hut

Pizza hut is an American restaurant. It is a multinational franchise and restaurant chain founded by two brothers called Frank and Dan Carney in 1958. It is now one of the world's biggest pizza restaurant, (admin, 2023).

Due to the changing of market trends and consumer preferences Pizza Hut, over the years has evolved to adapt to it.

Macro-environment is the external factor that is uncontrollable that influence the decision making of a company.

These are:-

Economic, technological, demographic, natural, cultural, social, political and legal.

(Monash University, n.d.).

- Businesses need to understand the market environment and for that a PESTLE analysis is important
- Political factors
- Economic factors
- Social factors
- Technological factors
- Environmental factors
- Legal factors

(Lucidspark, 2022)

A PESTLE analysis looks at the key external factors that influence a business, (CIPD, 2024).

What are the PESTLE factors

Political – These factors are the government policies that affect a company such as foreign trade policy, public health policy and tax policy etc. Pizza Hut must comply with these rules and regulations at all times. For example, the public health policy could force pizza hut to significantly change its menu to make it healthier because of the scrutiny over public health concerns in fast food chains.

Economic - Inflation and interest rates, job growth, unemployment, impact of globalization, disposable income of businesses and customers, changes in the economic environment.

The world's economic conditions affect supply and demand for products and services which impacts employment supply and demand. When the economy is good, employers hire more people; when the economy is poor, employers lay off employees. Competition for talented people becomes higher, when employment is low. Companies need to have good strategies in place to hire and retain their workers by offering higher wages and benefits, and more perks for employees. When an employer needs to down-size they lay off workers, offer early retirement to mature workers, or early leave programs. HR departments are responsible for hiring and laying off employees, (Kenton, 2023). Pizza Hut would benefit if the economy was booming as that would mean more people would want to eat out and order in from there. Likewise, if the opposite was the case, people would cut back on these expenses. Pizza Hut would see sales boosting with higher employment levels as it would mean more disposable income. However, unemployment would lead to less sales and the restaurant may need to reduce staff.

PESTLE factors

- **Social – These are** demographics such as (race, age, gender, number of people in families), consumer attitudes, their pattern of buying, opinions, rate of population growth and employment patterns, religious trends, disability, norms and values of different cultures and society, living standards and lifestyle trends. Pizza Hut would design sitting areas according to cultural trends in different parts of the world as, in some cultures consumers go out in big groups or eating out is more of a family affair. In places like India Pizza Hut has added paneer to its pizzas and seafood pizzas to its menus in East Asia countries. Pizza Hut know how important these things are, there are gender identification, nationality and people with disabilities, (www.linkedin.com, n.d.). HR must recognize and respect the diverse groups within the workplace. It is essential to hire diverse employees from different backgrounds as the customers will see and interact with, and feel valued (QSR Automations | The Global Leader in Restaurant Technology, 2021).
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PESTLE factors

Technological - These factors affect marketing in ways of producing goods and services, ways of distributing goods and services, new ways of communicating with target markets.

Pizza Hut has online order systems that are used by customers for ordering through companies like Deliveroo and Just Eat, (@Deliveroo, 2021). Pizza Hut makes payments secure and faster with payments accepted through Apple Pay, credit cards, debit cards and Google Wallet.

Legal factors include health and safety, equal opportunities, advertising standards, consumer rights and laws, product labeling, employment law and product safety. Pizza Hut is aware of the minimum wage in different countries so the right wage would be offered to employees. All the relevant licences would be obtained in different countries according to their law, (Washington State University, 2023).

Environmental - Pollution targets, doing business as an ethical and sustainable company, carbon footprint targets. Environment law will vary from place to place so Pizza Hut must comply with the local regulations. Pizza Hut is aware that customers demand food that is sourced in a sustainable manner and it delivers that promise, (BioRegional, 2018).

Pizza Hut SWOT analysis

Strength, Weakness, Opportunity, threat.

- This looks at the company's strength, which is the very big and well-known brand and its good quality Italian pizza and pasta.
 - Pizza Hut's weakness is not delivering in all areas which reduces revenues. Another weakness is that the menu has remained quite similar over time and research has shown that consumers believe that the variety of dishes on the menu are limited therefore the restaurant must innovate.
 - A big opportunity for Pizza Hut is to rethink the menu and add more flavours to the existing pizzas and pastas. This would give the customers more choice. Using the same method McDonalds have had success.
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Pizza Hut SWOT analysis

Threat is competition to Pizza Hut. Threat would be Dominos, although their quality does not quite match up to Pizza Hut, they have more restaurants in places where there are less Pizza Huts. Another threat is from other franchise such as McDonalds and KFC.

Due to healthy eating and fitness, Pizza Hut may decrease in demand, (Edrawsoft, n.d.).

Pizza Hut's SWOT analysis looks at the company's strengths and weaknesses. This allows the assessing of the business and the rival's performances.

Internal factors are the strengths and weaknesses and the external factors are opportunities and threats.

SWOT analysis looks at strengths and weaknesses of a company and work on it based on the findings and plan ahead.

There are internal and external business environments, (Olaveson, 2023). All the factors that are directly involved in the operations and outcomes are internal, such as the management, policies and resources. External factors are the conditions that businesses are affected by such as market trends, competition and regulations.

Staff recruitment

A company's need to recruit the right staff is important to be able to maintain a good reputation and deliver exceptional services.

The staff play a crucial part in the success of any business. Quality and personality are as important as the employee's skills and experiences. The customers' experiences would not be positive if staff were not welcoming and friendly. Staff are more dedicated to work if their values align with those of the Company. The company needs to be rewarding and sustain competitive advantages, so the staff feel like valued members of the team.

Satisfied employees are more productive. Employees that feel valued, take more pride in work, (Hughes, 2024).

Taking more pride in work means being engaged and motivated which means they will be positive with work colleagues as well as the customers and results in better business outcome.

There are different generations of workers in Pizza Hut.

They include;-

Traditionalists (1922-1945),

Baby boomers (1946-1964),

Generation X (1965-1980),

Generation Y (1981-late 90's), (Perry, 2023), and

Generation Z (1997-2012).

Generational differences

- There is a generational difference with a variety of experiences and understanding where the best fit should go will be is crucial, Pizza Hut identified many of their staff were aged from 18 to 28, (Peacock, 2008).
 - Teenagers starting their first job, a parent needing extra income or a retired person wishing to stay active.
 - Training motivates staff of all generations, (Gordon Food Service, 2023).
 - Task of management has become difficult with each generation with a set of different expectations and values.
 - There are many challenges, however understanding the trends of these generations can provide valuable insights into, communication styles and motivational drivers. We can use the differences as an advantage. (Thepeoplespace.com, 2024).
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Challenges of managing a multi-generational workforce

Traditionalists and the baby boomers prefer the face to face and telephone interactions.

Millennials and Generation Z prefer digital communications such as emails and messaging.

Catering for a diverse preference and effectively communicating is key to mentoring the team, (www.morepeople.co.uk, n.d.).

Balancing the traditional ways of working with the latest technology and managing the different generational differences mean flexibility in work. The older generation won't favour change as they are used to their own ways. Gradually making the changes is vital by emphasizing the benefits, (Benefits of multi-generational workforce).

If managed correctly, having a multi-generational team could be an asset to the business.

- sharing of knowledge and skills

- different perspectives and problem solving

- opportunities of mentorship, older generations mentoring younger and vice versa.

(Ok, 2023)

Multi-generation work force management

- Check in on regular basis to solve problems and set goals.
 - Each generation have their own skills. Communicate openly and let everyone have their achievements recognized.
 - Each generations have their own work styles. Everyone should feel appreciated and valued. They will feel a sense of belonging to the team.
 - Having respect for each other's boundaries are essential so they feel valued, (Waldman, 2021).
 - As management we should welcome employee views without making them feel judged would make them feel valued and work would will be more meaningful.
 - The employees are a company's most valued assets, who contribute to the company's achievements. Bussinesses now prioritize the importance of the staff as they contribute to the success of the business.
 - People from different generation working together result in a workfporce that has different experiences and qualities which would benefit the company.
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Internal factors

- Corporate objectives – To minimize costs, the need to make redundancies may be necessary.
- Operational strategies - The introduction of a new IT system could mean that less staff is needed but more staff training would be needed first.
- Marketing strategies - A new product development could mean a new market and the recruitment of a new team of staff may be needed.
- Financial strategies - Outsourcing training would mean changes in training but will be cost efficient, (tutor2u, 2020).

Keeping up with trends

Pizza Hut is launched its first artificial intelligence, AI campaign in Singapore. AI was used to showcase the Pizza Hut brand, titled Takeaway pocket pleasers, (Marketing-Interactive, 2023).

Conclusion

A businesses vision and objectives depend on environmental factors. PESTLE analysis and SWOT analysis are crucial for any company to deal with unexpected issues arising and to plan ahead and look for solutions. Assessing these factors is paramount to identifying current market trends and using strategies for business growth. There are factors that influence opportunity but also sometimes bring threats. To tackle foreseeable threat, you need to analyse the possible risks then plan strategies.

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