

What are the current challenges that the industry is facing that are affecting employee recruitment and retention

Student Name: Cristina Paulina Mitu

Student Number: 2120015

Module: BMIH5005

Lecturer: Katheryn Roberts

Table of content:

Introduction	3
SWOT analysis	3
PESTLE analysis	7
Conclusion.....	9
References	11

Introduction.

Novotel Southampton is a four-star hotel situated in Southampton city centre, a great place to stay for leisure or business, with views of the historic port. Novotel is perfect for business stays as it offers contemporary rooms with separate work areas and free Wi-Fi. For leisure stay guests, an enjoyable time is offered by an ideal sauna, swimming pool, or gym (Novotel, 2023).

Novotel, as the whole hospitality industry, is facing challenge in recruitment and retaining employees. These challenges can be internal or external and a detailed analysis is required to eliminate the factors that do not engage the employee in their work process, and to minimize the retention (Novotel, 2023).

SWOT analysis.

“Just as the work force has changed, so have the methods used to manage its members. The more specialised their roles, the harder it has become to find individuals with the right skills, qualifications, attributes, and experience to undertake them. It has also become harder to keep people once they are employed because competitors are always keen to secure the services of the most talented people by offering them a better deal” (Derek, 2008 – Pg. 5).

In this report, it will be analysing two methods that can help discover the challenged the industry is facing in recruitment and retention employees' process: SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis and PESTLE analysis.

On Forbs, Scholley Bubenik declares: “A SWOT analysis is a framework used to evaluate a company’s competitive position and then to develop a strategy plan to address these areas. [...] You can apply the same process to your workforce which is extremely helpful when determining if you have the right employees to grow your business and stay competitive in your industry” (Bubenik, 2019).

Beginning the SWOT analysis by looking primordial on the strengths of employees, there is a need to identify the key positions or critical situations that have the most significant role in achieving the business goals. In this way can be determined what are the strongest employees and their greatest's competencies and skills, to recognise and reward these competencies will lead to employee's retention and business success. After determining the strengths in a workforce, the weaknesses can be determined by paying attention on who are the low performers and what can be done to engage and retain them; maybe they work in the wrong position, or maybe some operations are not executed by high performing employees; questioning why the employees are leaving, and finding methods to recruit the right employees for the right position (Muthucutti, 2015).

“SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is a framework used to evaluate a company’s competitive position and to develop strategic planning, SWOT analysis assess internal and external factors as well as current and future potential” (Kenton, 2022). A SWOT analysis is intended to help and take a practical, fact based, and data driven look at the weaknesses and strengths of a company (Kenton, 2022) Threats are external elements that have the potential to harm your business. Threats are often impossible to forecast, but you can try by closely observing market patterns (Mathews, 2022). Any business should use it as a reference rather than a strict prescription. When it comes to knowing the strengths and limitations of employees, especially with future employees, it is easy as employer to have a lack of trust. It might be challenging to distinguish between authentic knowledge and hearsay given the abundance of content out there, describing the top talents and weaknesses to impress employers. Furthermore, an artificial list of weaknesses and strengths started during a job interview or performance evaluation does not represent a genuine person, with all their complexities (Kenton, 2022).

“HR or people strategy specifies what the organization intends to do about people management generally or in particular areas to support the achievement of corporate goals and meet its obligations to its stakeholders, especially its employees.

It sets out how its people management policies and practices should be integrated with the business strategy and with each other” (Armstrong, 2020). There will be competitive and non-competitive members on any team, competitor, and the gamification of HR (Human Resources) are effective methods for determining the strengths and weaknesses of staff members, because they boost engagement and provide a playful element to work operations (Muthucutti, 2015)

Employees retention can be stimulated throughout a recognition and feedback strategy that would help the business to determine employees' strengths and weaknesses (Kinnear, 2021). PeopleGoal is a soft that encourages users to send recognition, to leave feedback of a colleague, which a company can follow to see how the staff members are performing. HR can easily understand what the strengths are and weaknesses each employee has, or does not have, based on the feedback they are receiving (People Goal, 2023)

SWOT analysis, that stands for stands for strengths, weaknesses, opportunities, and threats will be analysed as:

- employees' strengths would be education, work experience, skills, personal characteristics.
- weaknesses can be limited work experience, irrelevant education or background, lack of skills, negative attitude.
- opportunities are reflected in personal development, education and training, re-skilling to meet the requirements of the industry, ability to perform in different geographical locations or different departments, building personal relationships.
- threats can be identified: limited access to education and training, competition, negative trends in the industry, limited development in the industry, lack of jobs or opportunities (CIPD (Chartered Institute of Personnel and Development), 2023).

The main objectives of talent management are two: both hiring and retaining elite employees. Finding opportunities that connect to accomplishing these objectives is crucial (Bubenik, 2019).

The following factors for the hiring process can be: you advertise for new positions now and in the future to find excellent employees; to contact the optimal organisation to get recommendations for possible job candidates; to create a type of program to encourage employees to recommend job candidates for the hospitality industry; to invest in training; to seek feedback from employees and communicate on all levels inside the organisation (Bubenik, 2019).

The last process of SWOT analysis is to discover the threats that are affecting employee's retention. The risk of top talent employees to be hired by another company is one of the most obvious threats. It must be considered which rivals might be after companies' employees. To lose employees because of a higher salary is another threat. As well, a threat could come from new legislation that could impact peoples' budget: to change the minimum wage and new sick and paid time off leaves. Labour shortage is a big threat as well. To minimize retention is to minimise the threats and find a solution for each to engage employees and motivate them to excel in their role job (Bubenik, 2019).

The key to a successful business is its highly competent and skilled workforce. In the same way, poorly trained and incompetent employees are the secret to loss making businesses. As a result, the hospitality industry, as any business, have struggled to retain qualified and experienced employees over time (Kenton, 2023) The world is an intricate place, but despite its intricacy, everything has rules, there are procedures and regularities. To understand how to engage the businesses in performant recruitment and retention process, employers and executives should approach the retention of top talent differently if they have a solid understanding of the employee lifecycle: attract, recruit, on board, develop, retain, offboard. To focus on each stage and to surface a memorable experience for employees, the company must treat responsibly each demand and necessity the employee is facing (Newell, 2019).

PESTLE analysis.

To assess the potential effects of external influences on the hospitality industry, it can be utilised (the strategic method) known as PESTLE analysis. To reduce risks and make the best decisions, to retain employees in the industry, there must be analysed all the factors: political (P), economic (E), sociocultural (S), technological (T), legal (L), and environmental (E) that can affect the company's performance and operations (Hardy, 2022).

For a comprehensive overview, a PESTLE analysis can be used in conjunction with other planning techniques as SWOT analysis. Both long term planning and immediate decision-making can benefit from this. It can be used to analyse data at various levels including the hotel industry, particular teams, projects or initiatives, employees' recruitment and retention, issues with employee retention are quickly becoming the most important workforce management obstacle (Terlesky, 2022). If the industry adjusts its organisational behaviour to the reality of the modern workforce, it will be successful in the future, where success and longevity depends on innovation, creativity, and flexibility (Frue, 2019).

Political factors that can impact the employees' recruitment and retention can be government policies, political stability, global trade restrictions, global trade agreements. In this context, the government needs to take in consideration innovative ways to add value in employment processes by quantifying the total value of benefits and compensations; offering expanded bonuses and advantages; to create special debt pay off programs; to develop the employer value proposition (Terlesky, 2023).

Economic factors are related to the general economic conditions on the national and, in certain cases, the global levels. BREXIT, which has affected certain businesses more than others, is a recent example. Stuffing is the apparent case in HR, particularly in sectors like hospitality, that rely largely on workers from abroad (Hardy, 2022).

Employers in the hospitality industry sometimes cite their decision to choose only the most qualified candidates rather than considering applicants' nationalities as the primary justification in recruiting EU citizens. Employers must ensure that they have taken the required steps to ensure that they will still have access to the skills their businesses require before new migration limits were introduced in 2021 (Symonds, 2022).

The UK's employment regulations will eventually change as the relationship between the EU and UK (United Kingdom) includes a commitment to work together. First, the Working Time Rules are going to change (Symonds, 2022) Many employment rights are safeguarded by these laws, including the 48-hour work week (Legislation.gov.uk, 1998). The hotel industry should consider any implications BREXIT might have for hiring and employee retention strategies. HR department must be informed of the recruiting immigration laws as the business relies on hiring people from abroad (Symonds, 2022).

Culture is a set of universally held fundamental presumptions that a group has developed because of solving its problems, with external adaptation and internal integration. These presumptions have proven effective enough to be accepted as true and are therefore thought to new members as the right way to preserve, think about, and feel, in relation to those issues (Gleeson, 2017).

Organisational culture has an impact on employee retention as remuneration, career advancement, supervision, interpersonal relationships, and job satisfaction are all tied to internal and external adaptability. It has been demonstrated that organisational culture values have a substantial impact on retention rates (Gleeson, 2017).

It is the business' responsibility as technology leaders to offer the appropriate technology options that enable the teams to function effectively without jeopardising security for either the company or the employee. Technology can help people connect more deeply, by removing social boundaries in workspaces, and bonding with the organisation will lead to a less percentage of retention (Shapiro, 2022).

Environmental elements, like pay and benefits, policies, and coffee breaks, could all contribute to increase employee retention. To determine what environmental aspects are more crucial to the culture of the industry, the HR department needs to understand firstly what the wants are, needs and desires of each employee (Kinnear, 2021).

The hospitality industry was placing a lot of emphasis on employee recruitment and retention as they have dealt with the Covid-19 pandemic. Since March 2020, have been seen a record high unemployment rise, where the power was shifted from employees to employers. There was disruption in business. The way companies operate is continually evolving because of new business models, exponential technology, agile working methods and regulations (Alexander, 2021) During Covid-19, employees' conception of work has been changed and challenged, while working remotely was a factor that may affect it positively and negatively at the same time. Both the organisations and employees must adapt. The worst scenario for employees was losing the job while for the business was a dramatical loss. Employees' return process to their job was unsure for the hotel industry as there could have been different opportunities for a safe and better paid job, where top talents would have been recruited by competitors (Kewalramani, 2022).

Conclusion.

Even though there are factors that present many difficulties for the hospitality sector, there are numerous approaches that the organisation can do to make it simpler to find and keep top talent employees (Muthukutti, 2015). It can be cultivated a company culture that encourages workers to make a long-term commitment to the business, positioning it for future success by showing the employees that they are valued, providing career advancement opportunities, and rewarding them (Gleeson, 2017).

As they deal with the issue of leading the business and a workforce that is continually evolving and changing, managers in the hospitality sector should have a solid understanding of both. Also, increasing employee retention will assist hotel management in maintaining the business and continue to offer employment possibilities (Muthukutti, 2015).

References:

Alexander, M. (2021) “*The Impact of Covid –19 on Employee Retention*” Available at <https://www.masonalexander.ie/the-impact-of-covid-19-on-employee-retention>

(accessed: 21 May 2023)

Armstrong, M. and Taylor, S. (2020) “*Armstrong’s handbook of human resource management*” practice. 15th edition. London, United Kingdom; KoganPage.

Bubenik, S. (2019) “*Gaining a Competitive Edge By Conducting A SWOT Analysis On Your Workforce*” Available at

<https://www.forbes.com/sites/scholleybubenik/2019/03/13/gaining-a-competitive-edge-by-conducting-a-swot-analysis-on-your-workforce/?sh=46ee2122380d>

(accessed: 21 May 2023)

CIPD (2023) “*SWOT template*” Available at

https://www.cipd.org/globalassets/media/misc/swot-analysis-template_tcm21-53495.pdf (Accessed: 02 May 2023)

Derek, T. Laura, H. Stephen, T. Carol, A. (2008) “*Human Resource Management*” 9th Edition (pg-5)

Frue, K. (2019) “*PESTLE Analysis for Human Resources: How PESTLE Affects HR*”

Available at <https://pestleanalysis.com/pestle-analysis-for-human-resources-how-pestle-affects-hr/> (accessed: 24 May 2023)

Gleeson, B. (2017) “*How important is Culture Fit For Employee Retention?*”

Available at <https://www.forbes.com/sites/brentgleeson/2017/04/03/how-important-is-culture-fit-for-employee-retention/?sh=1195e5c07839> (accessed: 20 May 2023)

Hardy, N. (2022) “*What is PESTLE analysis and why is it important to HR*” Available

at <https://www.breathehr.com/en-gb/blog/topic/performance-and-productivity/what-is-a-pestle-analysis-and-why-is-it-important-to-hr#:~:text=A%20PESTLE%20analysis%20can%20be%20a%20highly%20useful%20tool%20for,change%20and%20manage%20its%20implications.> (Accessed: 23 May 2023)

Kenton, W. (2022) *"SWOT Analysis: How To - With Table and Example"* Available at: <https://www.investopedia.com/terms/s/swot.asp> (accessed: 23 May 2023)

Kewalramani, A.R. (2023) *"What has Covid-19 taught us about employee engagement?"* Available at <https://www2.deloitte.com/mt/en/pages/human-capital/articles/mt-employee-engagement-and-covid-19.html> (accessed: 20 May 2023)

Kinnear, M. (2022) *"These 5 factors affect employee retention"* <https://resourcingedge.com/peo/these-5-factors-affect-employee-retention/#:~:text=Environmental%20factors%20like%20salary%20and,the%20culture%20of%20your%20company.> (Accessed: 22 May 2023)

Legislation.gov.uk (2022) *"The Working Time Regulation 1998"* Available at <https://www.legislation.gov.uk/ukxi/1998/1833/contents/made> (accessed: 22 May 2023)

Mathews, R. (2022) *"Understanding SWOT Analysis"* Available at <https://smallbusiness.chron.com/understanding-swot-analysis-61833.html> (accessed: 22 May 2023)

Muthukutti, A. (2015) *"Skilled employee retention still biggest issue for companies"* Available at <https://www.dailymirror.lk/71491/skilled-employee-retention-still-biggest-issue-for-companies> (accessed: 23 May 2023)

Newell, C. (2019) *"The Employee Life Cycle is About an Experience"* Available at <https://www.forbes.com/sites/forbeshumanresourcescouncil/2019/10/21/the-employee-life-cycle-is-about-an-experience/?sh=f381273248c7> (accessed: 19 May 2023)

Novotel (2023) Available at <https://all.accor.com/hotel/1073/index.en.shtml> (accessed: 21 May 2023)

PeopleGoal *"360 Degree Feedback Software to Develop Teams"* Available at <https://www.peoplegoal.com/product/360-degree-feedback-software> (accessed: 21 May 2023)

Shapiro, Y. (2022) “*Technology is Key To Employee Retention*” Available at <https://www.forbes.com/sites/forbestechcouncil/2022/03/24/technology-is-key-to-employee-retention/?sh=358abd041682> (accessed: 27 May 2023)

Symonds, C. (2022) “*The Impact of Brexit: What Does Mean for Employees*” Available at <https://factorialhr.co.uk/blog/brexit-impacts/#Brexit> (accessed: 23 May 2023)

Terlesky, S. (2023) “*What is a PESTLE Analysis*” Available at <https://factorialhr.co.uk/blog/pestle-analysis/> (accessed: 23 May 2023)