

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

Module: Personnel Resourcing and Development (BMIH5005)

Student: Ligia Luana Popa

2111540

Module Tutor: Emma Roberts

Content

1.0.	Introduction	3
1.1.	PESTEL analysis	3
1.1.1.	Politic	3
1.1.2.	Economic	3
1.1.3.	Technological, environmental, and legal	4
1.2.	SWOT analysis	4
1.3.	The Big Resignation/ Quitting	6
1.4.	Employee turnover	7
1.5.	Employee work life cycle	9
2.0.	Conclusion	11
	References	12

1.0 Introduction

Epoque Hotel Relais & Chateaux is Bucharest's finest boutique hotel a short distance from the city's economic and financial hubs and Bucharest's main park, Cismigiu. The Epoque Hotel has 45 suites along with a spa, a fitness center, and a French gourmet restaurant. The Epoque Hotel, which opened in 2010, became a member of the Relais & Chateaux family in 2018. The Epoque Hotel Park had a turnover of EUR 2.4 million by the end of 2016, an increase of 8% year on year. The total number of employees is 53.

“Relais & Châteaux is a collection of powerful individualities who share the same vision and enthusiasm, but also the rigor and tradition of hospitality. At Epoque there's a genuine desire for authenticity and sincerity, fostering warm, generous, and welcoming service. Epoque aims to spoil and surprise each guest with tailor-made experiences during every stay. We are happy to welcome them in the Relais & Châteaux family”, said Johan Creytens, Area Delegate for Benelux, Eastern Europe & Scandinavia at Relais & Châteaux.

The lack of employees and high turnover rates are two of the issues highlighted and investigated in this study.

1.1. PESTLE analysis

1.1.1. Politic

Romania's economy has suffered from political instability and corruption for years. Crowther (2019, p. 243), the PSD and NLP's fundamental conflicts increase national tensions and undermine Romania's economy. Corruption, political instability, and (Crowther, 2019, p. 243) bribery, embezzlement, fraud, and extortion are government corruption. Weak public institutions, long-standing practices, and official apathy promote corruption. Corruption wastes resources and raises government spending, slowing Romania's economy.

1.1.2. Economic

Private consumption and investment have boosted Romania's economy. Romania survived the 2007 economic crisis and had its strongest quarterly GDP growth since 1989. (2008). 2008 GDP grew 8.2% to \$24.5 billion (Ciobanu, 2008, p. 3). GDP rose

\$239.6 billion in 2018. (Bran et al., 2019, p. 6). Private consumption and local and foreign investment boosted GDP growth.

An ageing population, skilled labour emigration, tax fraud, poor health care, and rigorous fiscal tightening threaten Romania's economy.

Romania's annual inflation declined to 15.32% in October 2022 from 15.88% a month earlier. Food and service spending climbed 8.31% vs 8%, but non-food spending declined 14.37%. October inflation was 1.28 percent, down from 1.33 percent in September.

1.2.3. Technological, environmental, and legal

Romania traditionally produces timber and textiles (Csaba, 2008). R&D GDP is substantially lower than other countries (CIA Factbook, 2009). Romania's infrastructure hinders tourism despite its attractiveness. A long-term public-private collaboration to build roads connecting Romania's major financial and industrial cities to Europe might solve the problem quickly. Long-term government bonds may support an external corporation's flexible payment plan. Given these problems, we advocate EU monitoring and best practices exchange.

Since 2007, the legal climate has attracted consumers, international investors, and multinational enterprises (FH, 2009). According to Transparency International's 2008 Global Corruption Report, bureaucracy's high costs enable corruption, bribery, nepotism, and clientelism.

1.2. SWOT analysis

Strength	Opportunities
• Central location • Fast access to top tourist attractions • The airport is minutes away. • Hotel amenities (restaurant, lounge conferences, spa, fitness center) • Luxury services • Affordable prices • Qualified staff	• Year-round activity leads to customer loyalty, especially in the business environment • Modernization and development of the hotel

- One of the best-designed units, is a real hotel luxury intended for business tourism.
- Modern and demanding facilities, premium services, conventions, and relaxation
- • A permanent homogeneous staff structure and attentive employees, the nuances that matter in the tourism sector.
- modern SPA centre
- Boutique hotels are quite a rare sight in the landscape hotelier from Bucharest
- Part of an international chain of hotels: Relais & Chateaux

Weakness

- Charging an additional cost for various
- Business facilities
- It is specifically addressed to the business segment
- Weak media coverage of the hotel in business circles
- from Romania
- Lack of single rooms
- Lack of a playground for children

Threats

- The current world crisis through the lens of effects collaterals of economic changes (modification of the level of fees, taxes), legislative

1.3. The Big Resignation/ Quitting

Workplaces are becoming more and more employee-run. Financial success is becoming less important than other goals, such as personal growth, work-life balance, and mental wellness.

Anthony Klotz, associate professor of management at Texas A&M University, cites four reasons for resignation:

- a. uncertain year of the pandemic.
- b. workers are burnt out.
- c. people confronted with death or serious illness tend to reflect on how much meaning and contentment exist in their own life.

“What I kept hearing was, “Before the pandemic, I arranged my whole life around work”, says Klotz, but coming out of the pandemic, people said, “I need work to work around my life”

- d. unexpected freedom that millions experienced when the pandemic forced them to work at home.

“Autonomy is a fundamental human need,” says Klotz, and when people get a taste of it for months on end, they do not cede it easily.

66% of executives are planning post-pandemic employment without employee participation, which is troubling since 44% of executives want to work every day while only 17% of employees want. Happy workers stay eight times longer and interact 16% more.

The major goal is to allow everyone to express themselves and receive encouragement. Conflicts may be avoided or resolved more easily if the company discourages bullying and gossip and encourages open communication. Such an environment may protect workers. This will increase hotel output and reduce employee turnover.

By improving perks, employers may demonstrate their value and reward employees. On-demand remuneration may help hire new employees and reduce turnover.

“The year that just ended brought job changes for 36% of our survey respondents, and we expect the percentage to increase significantly in 2022. All resignations postponed due to uncertainty and fear will now reach HR if employers fail to prevent them. We’re no longer talking about the fears and hesitations from the beginning of the pandemic but about the most determined candidates, who are confident, and no longer accept half-measures. We see that they would not hesitate to leave an employer they’re no longer happy with, even before finding another job, precisely because they are confident that they will find something better quickly,” explained Raluca Dumitra, Head of Marketing, eJobs Romania.

The eJobs survey was conducted between December 15, 2021 - January 5, 2022, on a sample of 2,677 respondents.

"Romania's culture and attitude are different, thus I don't think we'll reach the US's tsunami of resignations. However, Romanians are becoming more aware of the context and that there are numerous occupations even during pandemics and wars. Even without backup plans, this boosts their confidence. Resignations will increase due to the huge quantity of employment. Of course, geopolitics must be considered, but after a truce, the labour market will continue its present trend and additional resignations will occur ".

1.4. Employee turnover

Hotel turnover has typically been high, due to a variety of conditions, some of which are beyond the control of the business's founders. Former hospitality personnel reported these common difficulties.

a. Unfitness

Even with training, some people can't handle the fast pace of hospitality, but this doesn't reflect the company's ability to offer a pleasant workplace.

b. Inconvenient Timing

Most hospitality workers work weekends, as do their companies. Devoted employees may weary of their routines and seek employment with better work-life balance.

c. Inflexibility

Hospitality employees have flexible schedules and must adhere to professional standards. More workers may be necessary for big reservations since end-of-day rota changes may be stressful, and small teams may be anxious about vacations.

d. Unrecognition

Employees can feel undervalued and disillusioned with their sector. They're not often praised for their work and are more often, prone to critique.

e. Negatively Environments

Conflicts and miscommunication may make working in a hotel unpleasant. This may demotivate employees, lowering customer service and a company's reputation. Mental Health Management, which is killing hotels, is causing staff to resign due to toxic conditions.

f. Undeveloped Future

If advancement seems limited, employees may leave. Thus, many hotels and restaurants regard their profession as temporary, which may dissuade prospective hospitality workers.

To avoid these and other challenges, hospitality companies must prioritise employee happiness. Energetic employees attract clients, helping these businesses succeed.

On-demand remuneration and other incentives help retain staff. Direct payments reduce attrition, save \$1,205 in late fees, overdraft fees, and payday loan interest, and improve workplace relationships, according to DailyPay. Paying bills on time keeps individuals employed.

The Guardian said socioeconomic factors will influence who goes and why.

Blue-collar employees: Harvard Business School professor Sandra Sucher, author of "The Power of Trust," says low-wage workers are more prone to switch employment for minimal benefits. "Many retail and service people are quitting in favour of entry-level employment elsewhere - in warehouses or offices, for example - that pay less but provide greater benefits, upward mobility, and compassion," the BBC reported. Many have found it easy to swap jobs with companies hiring."

Microsoft says, "Gen Z has trouble feeling engaged and passionate about work, getting a word in during meetings, and bringing innovative ideas to the table." 54% of Generation Z workers may quit.

Mid-career managers: Visier, a people analytics organisation, reported that 30-45-year-old resignations increased between August 2019 and August 2020, suggesting that experienced workers are more likely to move employers. December 2020 management resignations rose 12%.

1.5. Employees' work life cycle

If the recruiting process is streamlined, the best people can be recruited and retained. Recognize and assist high-performing individuals at an early age to help them thrive later in life. AI-assisted career progression pathways improve retention, productivity, and employee engagement. College and other types of part-time work should not be ignored.

A. The first impression: Attraction

Attract by early professional networking. Organizational structures, processes, traditions, narratives, and symbols all play a part in forming the ties between workers, and the cultural web model explains how this occurs.

B. Getting top talent on board: Recruitment

Businesses survive longer with constant recruitment; this is needed for both traditional and tech-based recruitment. During the application and interview process, job seekers form opinions on the business.

Submit the job posting to as many employment sites as possible to boost exposure. Reaching high-quality leads is difficult with fewer channels. While casting a broad net is important, don't dismiss your present personnel or their opinions.

C. The flying start: Onboarding

Onboarding is the process of assimilating new workers into company culture and becoming a part of the team. One approach to do this is to ensure that company's fundamental values are identified and communicated.

A solid onboarding procedure for new staff is also beneficial!

D. Making top talent stick: Retention.

This is important in the employee life cycle. This is because management may take staff for granted after a while. That's why incentives and recognition issues must be addressed immediately. After that, HR must monitor employee desires, progress, and successes and make sure workers know what to do to succeed.

E. Never stop growing: Career Development

Employee development is critical. Long-term workers are in danger of being taken for granted by management. That's why you should broach sensitive topics like incentives and recognition right away. Over time, workers should know what they can do to attain their objectives and what HR can do to monitor their desires, needs, and results.

F. Leaving: the end of everything nice.

Many employees grow bored and resign after a time. At this stage in an employee's life cycle, various factors are at play. Ex-employees depart for a variety of reasons, including moving for better work opportunities, retiring, going it alone, or being wooed by a rival.

This is an important moment for contemplation. By completing a comprehensive offboarding process, you may understand where your workers are dissatisfied with the firm and how to remedy it. Furthermore, it may raise critical concerns when developing gardening leave regulations or work contracts.

Corporate success depends on staff life cycles. Since there are ways to enhance the employee experience throughout their career, it's crucial.

From initial curiosity to long-term loyalty, this may affect the hiring process. The employee life cycle concept makes workers happier and more productive.

2..0. Conclusion

My recommendations are:

- Establish expectations and policies. Making clear to prospective employees what will be expected of them before they start working. Equally, may consider introducing policies that could limit the number of hours in each shift and the number of days employee work in the raw.
- Effectively communicating with staff. Having an “open door” policy encourages our staff to be honest about any issues or situations that may arise.
- Personal development plans. The employees are less likely to leave if the company will offer a higher level of training.
- Recognising and valuing staff. A simple “thank you” can go a long way to making organisation’s employees feel as though you understand the hard work, they put in to make the organisation’s business a success.
- Create a positive working environment by creating and maintaining a culture of mutual respect and support,

This will increase staff performance and likely lessen the employee retention in our hospitality business.

References

- Aaron De Smet, Dowling, B., Marino Mugayar-Baldocchi and Rainone, N. (2021). *Jobs: 4 ways to retain talent, raise morale and upskill staff*. [online] World Economic Forum. Available at: <https://www.weforum.org/agenda/2021/11/the-great-attrition-wanting-the-best-keeping-the-worst>.
- Bernovici, A. (2016). *Epoque Hotel - 41 pc increase in MICE sales after nine months; encouraging outlook for end-2016*. [online] The Romania Journal. Available at: <https://www.romaniajournal.ro/business/epoque-hotel-41-pc-increase-in-mice-sales-after-nine-months-encouraging-outlook-for-end-2016/> [Accessed 29 Nov. 2022].
- Blythe, T. (2021). *Employee Retention | Strategies in the Hospitality Industry*. [online] The Hub | High Speed Training. Available at: <https://www.highspeedtraining.co.uk/hub/employee-retention-in-hospitality/>.
- Bran, F, Minciu, M, Dobrea, RC & Radulescu, CV 2019. Assessing the Impact of European Funding on Local Development. *Risk in Contemporary Economy*, pp.175-182.
- Ciobanu, George & Ciobanu, Andreea-Maria. (2008). Is Economic Growth Sustainable in Romania?. SSRN Electronic Journal. 10.2139/ssrn.1128642.
- Clark, P. (2022). The man who predicted the Great Resignation has more big news. *Financial Times*. [online] 3 Apr. Available at: <https://www.ft.com/content/3e561d41-0267-4d40-9c30-01e62fa9c10f>.
- Crowther, W 2019. "Romania and Moldavian Political Dynamics." *Romania After Tyranny*, pp. 239–259.
- Csaba, N. (2008), Clusters in the Romanian economy. *Annals of Oradea University*, 2, pp. 291-296
- DailyPay (2022). *Driving Success Despite Challenges in the Hotel and Hospitality Industry*. [online] DailyPay. Available at: <https://www.dailypay.com/resource->

center/blog/improving-retention-increasing-engagement-hotel-hospitality-industry/
[Accessed 25 Nov. 2022].

Fleming, S. (2021). *Survey: 40% of employees are thinking of quitting their jobs*.
[online] World Economic Forum. Available at:
<https://www.weforum.org/agenda/2021/06/remote-workers-burnout-covid-microsoft-survey/>.

Freedom House, 2008 Freedom in the World – Romania. Retrieved April 12, 2009,
from www.freedomhouse.org

Freedom House, 2008 Map of Freedom in the World. Retrieved April 12, 2009, from
www.freedomhouse.org

FutureBrand, 2008 Country Brand Index, 2008. Retrieved April 20, 2009, from
www.futurebrand.com

Kamal, R. (2022). *Quitting is just half the story: the truth behind the ‘Great Resignation’*. [online] The Guardian. Available at:
<https://www.theguardian.com/business/2022/jan/04/great-resignation-quitting-us-unemployment-economy>.

Knoema. (n.d.). *Romania Inflation rate, 1980-2020 - knoema.com*. [online] Available
at: <https://knoema.com/atlas/Romania/Inflation-rate>.

<https://www.romania-insider.com/great-resignation-romania-ejobs-2022> [Accessed
25 Nov. 2022].

Journal, R. (2018). *Epoque, the first hotel in Romania to become a member of Relais & Châteaux*. [online] The Romania Journal. Available at:
<https://www.romaniajournal.ro/travel/epoque-the-first-hotel-in-romania-to-become-a-member-of-relais-chateaux/> [Accessed 29 Nov. 2022].

Morgan, K. (2021). *The Great Resignation: How employers drove workers to quit*.
[online] www.bbc.com. Available at: <https://www.bbc.com/worklife/article/20210629-the-great-resignation-how-employers-drove-workers-to-quit>.

Lufkin, B. (2021). *What we're getting wrong about the 'Great Resignation'*. [online] www.bbc.com. Available at: <https://www.bbc.com/worklife/article/20211028-what-were-getting-wrong-about-the-great-resignation>.

Ph.D, B.R. (n.d.). *'The Great Resignation' Migration And What This Means For Your Career*. [online] Forbes. Available at: <https://www.forbes.com/sites/bryanrobinson/2021/06/11/the-great-resignation-migration-and-what-this-means-for-your-career/?sh=29aa1b0569aa> [Accessed 25 Nov. 2022].

Romania Insider. (2022). *The Great Resignation: 21% of employees in Romania would quit their jobs without a backup plan*. [online] Available at:

the Guardian. (2021). *'The Great Resignation': June's US jobs report hides unusual trend*. [online] Available at: <https://www.theguardian.com/business/2021/jul/03/us-jobs-report-june-trend> [Accessed 25 Nov. 2022].

Sucher, S. and Gupta, S. (2021). *The Power of Trust: How Companies Build It, Lose It, Regain It*. Public Affairs New York.

Skift. (2021). *Hotel CEOs Concede a Lasting Labor Shortage May Reshape Guest Experience*. [online] Available at: <https://skift.com/2021/11/08/hotel-ceos-concede-labor-shortage-is-a-structural-problem-that-may-reshape-guest-experience/>.

www.microsoft.com. (n.d.). *The Next Great Disruption Is Hybrid Work—Are We Ready?* [online] Available at: <https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work?ranMID=24542&ranEAID=TnL5HPStwNw&r> [Accessed 25 Nov. 2022].

www.cia.gov. (n.d.). *Romania - The World Factbook*. [online] Available at: <https://www.cia.gov/the-world->

factbook/about/archives/2021/countries/romania/#government [Accessed 25 Nov. 2022].

https://www.workhuman.com/blog/what-to-do-about-quiet-quitting/?utm_source=bing&utm_medium=cpc&utm_campaign=2022q4_wh_sem_nb_awareness_blog_post_emea_exa_pros&utm_content=quiet_quitting&campaignid=431010035&adgroupid=1136895989599120&adid=&msclkid=3582fd97fbc911a39b089ee6b77b40bd&gclid=3582fd97fbc911a39b089ee6b77b40bd&gclsrc=3p.ds

(Accessed: 08th November 2022).

www.glassdoor.com. (n.d.). *Reviews*. [online] Available at:

<https://www.glassdoor.com/Reviews/Relais-and-Ch> [Accessed 26 Nov. 2022].