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Project Proposal Title: Is the external challenge good or bad? Analyse the impacts of the external environment on employee recruitment and retention.

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1.Introduction

The proposal for the project is based on the Travelodge hotel company in the UK which hotel and resort services in the United Kingdom, Ireland, and Spain. The proposal will be investigated to understand the current issues (e.g., automation intelligence, and retirement tide) of employee retention and external environments. Employees are retiring from this industry and the rate is overcontrolled. To examine them, the proposal will try to find solutions to those issues. After COVID-19 the hotel and tourism industry are facing the issues of employee turnover and low retention rates. However, inflation can affect the employee turnover rate due to the global crisis. The proposal will try to figure out the challenges and alternative solutions to the issues of turnover rates and external factors. The result of the external environment and causes of employee recruitment and turnover will be examined.

2.Background of the Travelodge company

Travelodge is a leading budget hotel brand in the UK, offering a variety of rooms at affordable rates. With a strong presence in major cities and tourist hotspots, Travelodge hotels offer standard room amenities like a bed, private bathroom, television, and wireless internet access. Travelodge Hotel was established in 1985 in Barton-under-Needwood, making it the pioneering low-cost hotel chain in the United Kingdom. They are now managing approximately 600 hotels in the United Kingdom, Ireland, and Spain, where they serve over 21 million visitors every year. As part of their effort to make travel more accessible to those on tight budgets, they are exploring opportunities to increase the number of Travelodge hotels in the United Kingdom by 300. With 12,000 people on staff, Travelodge is committed to its mission of building a community where everyone can grow professionally, financially, and socially.



Figure 1:

Travelodge London (Source: Travelodge, 2023)

1.2 PESTEL analysis

1.2.1 Political

- The hospitality business may be impacted by new or revised government regulations in travel, tourism, and employment (Rostan and Rostan, 2022).
- Value-added tax (VAT) and other municipal taxes may have a significant effect on operational expenses and retail prices.
- Labour markets, tariffs, and immigration rules may all be affected by Brexit for a business-like Travelodge that operates in the United Kingdom (Gupta *et al.*, 2023).

1.2.2 Economic

- The capacity of customers to pay for hotel stays is affected by economic variables including growth, inflation, and currency exchange rates, all of which have an impact on Travelodge's pricing tactics (Rostan and Rostan, 2022).

- Travel and hospitality are vulnerable to economic downturns as customers reduce their discretionary expenditure.
- Business travel is a major income generator for hotels, but it is also susceptible to economic fluctuations.

1.2.3 Social

- Changes in customer behavior and tastes, such as a growing interest in green and sustainable lodging options, may affect the hospitality sector.
- Consumers' views on hotel hygiene, quality of service and security have shifted in the wake of recent events like the COVID-19 outbreak (Kucuk et al., 2021).

1.2.4 Technological

- The rise of Internet booking platforms and other technological developments have altered the way hotel rooms are reserved by guests.
- Travelodge must maintain its digital viability to compete.

1.2.5

Environmental

- To appeal to eco-conscious customers, Travelodge should implement certain eco-friendly policies (Codling *et al.*, 2023).
- Hotel operations and construction might be affected by environmental restrictions including waste management, energy efficiency, and sustainable sourcing. This
- includes making sure that the employees are practicing eco-friendly ways.

1.2.6 Legal

- In a public health emergency, the hospitality industry must adhere to health and safety requirements.
- Hotel labor expenses and human resource management are impacted by employment rules such as minimum pay and hours worked (Dalwadi, 2023).
- Legal pacts with vendors, franchisees, and other business associates may have a significant effect on how the firm runs and makes money.

1.3 SWOT Analysis of Travelodge

1.3.1 Strengths

- Recognizable and Trustworthy Name in the Budget Hotel Market: Travelodge is a household name in the United Kingdom, with locations in many different cities and towns.
- Travelodge is the go-to hotel chain for thrifty vacationers because of its low prices, exceptional service, and high value for money.
- The company's extensive network of hotels across the United Kingdom and elsewhere makes its products and services easily accessible to many people (Altig *et al.*, 2020).

1.3.2 Weaknesses

- Because of its focus on budget-conscious customers, Travelodge may not be able to capitalize on the growing market of high-end and luxury tourists.
- Some critics have pointed out problems with the service quality, such as cleanliness and lack of response from staff to customers' needs (Gupta *et al.*, 2023).

- Travelodge is a cheap hotel company; hence its success is highly dependent on the national and global economies.

1.3.3 Opportunities

- Market Development: Capitalizing on the rising demand for international travel, there are prospects for developing the brand in additional areas and nations (Altig *et al.*, 2020).
- Travelodge may attract eco-conscious tourists by embracing the trend towards sustainable and ecologically friendly practices and enacting green initiatives (Altig *et al.*, 2020).

1.3.4 Threats

- Hotels face stiff competition from both well-established chains and upstart establishments.
- Dependence on online travel agencies (OTAs) for reservations might lead to higher commission fees and less say in pricing and advertising strategies (Dalai, 2023).

1.4 Retention rates

A successful hotel industry's employee turnover is about 10-15% and can sustain the employees. If the rate of turnover is around 40%, then the challenges arise to solve the issues (Codling *et al.*, 2023). The mediocre performance, job security, and the lack of growth opportunities can affect the employee's retention rates. The employees want to secure a position and grow their skills and rewards in the company. Therefore, challenges

have arisen in the hotel industry to retain employees and reduce the employee turnover rate.

2.Literature

2.1 Background of the previous research

When employees leave a company, it may have a negative impact on the business's profitability, efficiency, and resource loss. The research focused on the hotel industry because of its reputation for being high-pressure and exhausting for its workers (Mohsin et al., 2023). Recessions and economic booms, according to studies, both have a direct effect on recruiting and retention efforts. Companies may find it challenging to hire new employees during economic downturns owing to widespread layoffs and hiring freezes, but they may also see lower turnover as a result (Nam *et al.*, 2021). On the other hand, when the economy is doing well, competition for hiring and keeping employees might increase. Trends in the labor market influence both the ability to attract and retain employees (Liu-Lastres et al., 2023). There is evidence to suggest that businesses in sectors experiencing labor shortages should increase their pay and benefit packages to remain competitive (Codling *et al.*, 2023). The availability of qualified workers with the necessary skills is also affected by labor market conditions. Employment rules and regulations such as immigration policy, workplace safety standards, and anti-discrimination laws all impact hiring and firing policies (Kelly et al., 2019). The importance of maintaining compliance with these standards has been emphasized by researchers, who note that a company's legal woes and image might suffer if it does not (Varga *et al.*, 2021).

Rapid technological development and automated intelligence have led to changes in employee acquisition and retention strategies (Nam *et al.*, 2021). The use of social media,

applicant monitoring systems, and online job boards have become standard practice in the modern hiring process. Technology's effect on retention is further strengthened by its ability to provide remote work, flexible working hours, and work-life balance (Ivanov and Webster, 2019). In diversity and inclusion efforts, the cultural and social context may impact staff recruitment and retention (Ayodele et al., 2020). More people from more backgrounds are drawn to and stay with businesses that actively promote diversity and inclusion in the workplace. The nature of competition in an industry may influence a company's success in attracting and retaining top people (Varga *et al.*, 2021). To stand out in a crowded marketplace, businesses must typically provide competitive compensation, rewards, and other forms of employee value (Abou Kamar, 2021). The global external environment is increasingly important to the recruiting and retention strategies of multinational corporations (Islam *et al.*, 2022). Attracting and keeping talent in diverse areas requires knowledge of cultural norms, local labor regulations, and market realities.

2.2 Brexit and COVID affect the employee retention rate

Long-term re-organization of the UK economy due to Brexit and COVID-19, with continued consequences in the years to come. These divergences in projections highlight the need for a comprehensive investigation into the full extent of the economic impact of these developments on the United Kingdom (Kucuk et al., 2021). The financial effects of Brexit and the COVID-19 epidemic in the UK have been studied by many economists (Rostan and Rostan, 2022). It shows that the immediate effects have been negative, with the UK's GDP, stock market, trade, and currency all suffering. The effects of COVID-19 and Brexit on the economy are expected to amplify existing regional disparities (Gupta *et al.*, 2023). Because they rely on tourism and hotel revenues, coastal areas in London, the Northeast, Wales, the Southeast, and the West Midlands are particularly at risk. Researchers in the UK and other affected countries have also been studied using sentiment and trend analysis (Altig *et al.*, 2020).

2.3 Inflation, economic situation, and global retirement tide on retentions

Rising inflation eats away at workers' purchasing power, making it harder for them to maintain their current quality of life. To attract and keep the best employees, businesses may need to increase pay to keep up with inflation and other costs of living (Kucuk et al., 2021). This might happen when the economy is bad. This may lower morale and lead to the loss of valuable employees. Workers have the right to look for more secure work elsewhere (Dalwadi, 2023). Organizations experience a brain drain of institutional knowledge and skills when a significant percentage of their personnel near retirement age (Rostan and Rostan, 2022). To keep this expertise alive and guarantee a seamless transition, it is crucial to implement a solid succession plan and knowledge transfer programmed (Gupta *et al.*, 2023). Some workers may put off retiring because they have not saved enough money or because of economic instability (Altig *et al.*, 2020). Workforce planning and retirement policies may need to be revised to account for workers who start and stop working later in life. Acute skill shortages exist in several sectors of the economy. These shortages might be made worse by current events and global happenings (Abou Kamar, 2021). To keep personnel with in-demand talents, businesses must provide attractive pay, training, and advancement possibilities (Ayodele et al., 2020). The epidemic has changed the way workers think about telecommuting and other forms of flexible scheduling (Kelly *et al.*, 2019). Companies that do not respect their workers' values and preferences risk losing them as employees.

2.4 Potential solutions to the issues

Automated intelligence, the retirement wave, and other industry-specific concerns are only a few examples of external obstacles that call for creative responses. Solutions and fields of the hotel industry are shown as Artificial intelligence with innovative technology.

To mitigate the effects of automation on the workforce and advance the human potential of Travelodge, businesses should embrace automation and AI (Jabeen et al., 2022).

- Hotels like Marriott, which are examples of the hospitality business, have automated many of their processes. Their automated check-in and check-out systems and customer care chatbots are driven by artificial intelligence (Haynes, 2020). This not only increases productivity but also frees up employees to provide higher-quality service to guests.
- To create knowledge transfer programmed to ensure that experienced workers' knowledge is preserved and passed on to the next generation of workers. Providing part-time and consulting opportunities to retirees to keep their expertise in-house (Phuong and Vinh, 2020).
- Boeing, a leader in the aerospace sector, has devised knowledge transfer programmed to preserve the wisdom of departing experts and share it with the next generation of industry professionals (Wisniewski *et al.*, 2019). To keep retiring engineers involved and useful, they provide opportunities for part-time employment.
- To work with local educational institutions to provide specialized training courses or apprenticeships to address the industry's specific skill needs. As an example, Siemens, a multinational technology corporation, collaborates with academic institutions and technical institutes to create educational programmed that equip students with the knowledge and abilities employers need in the manufacturing and technology industries (Varga *et al.*, 2021).
- Businesses should implement diversity and inclusion initiatives to provide a welcoming environment for employees of all backgrounds. Microsoft is just one IT giant that has been pushing for more diversity and inclusion in the workplace to better serve its worldwide client base (Liu-Lastres et al., 2023). This method can increase worker satisfaction, diversity in applicant pools, and retention rates.

- To revise pay and benefits to cushion against inflation and economic hardship. Providing workers with incentives depending on their performance and a range of advantages they may utilize to their advantage (Rodríguez-Sánchez *et al.*, 2020).
- To account for economic volatility and price increases, financial institutions like JPMorgan Chase have adopted performance-based incentive programmed.
- To encourage flexible schedules and allow for remote work whenever possible. Adopting measures that facilitate a healthy work-life balance for workers (Codling *et al.*, 2023).
- To ease the transition and decrease the retention issues connected with global events, many multinational firms in fields like technology and finance have specialized teams to help staff with overseas tasks (Kelly *et al.*, 2019).

3.Evaluations of the challenges

Employee turnover negatively impacts a company's profitability, efficiency, and resource loss. The hotel industry is particularly affected by high pressure and exhaustion for workers. Economic downturns and booms can make it challenging to hire new employees, but they may also see lower turnover. When the economy is doing well, competition for hires and retention might increase. Labour market trends, such as immigration policy, workplace safety standards, and anti-discrimination laws, influence hiring and firing policies (Kelly *et al.*, 2019). Technological development and automated intelligence have led to changes in employee acquisition and retention strategies, with social media, applicant monitoring systems, and online job boards becoming standard practices. Diversity and inclusion efforts, cultural and social context, and competitive compensation are essential for attracting and retaining top talent. The global external environment is

increasingly important to the recruiting and retention strategies of multinational corporations. Brexit and COVID-19 have had a long-term economic impact on the UK, with immediate effects on GDP, the stock market, trade, and currency (Gupta *et al.*, 2023). The effects of these events are expected to amplify regional disparities, particularly in coastal areas. Inflation and economic conditions are affecting workers' purchasing power, leading to a decline in their quality of life. Businesses may need to increase pay to keep up with inflation and living costs, which can lower morale and lead to the loss of valuable employees. A brain drain of institutional knowledge and skills occurs when a sizable percentage of personnel nears retirement age, necessitating a solid succession plan and knowledge transfer program.

4.Recommendations

- To address these issues, businesses should embrace automation and AI, such as Travelodge company automated processes and Boeing's knowledge transfer programs.
- Diversity and inclusion initiatives can increase worker satisfaction, diversity in applicant pools, and retention rates.
- Pay and benefits should be revised to cushion against inflation and economic hardship, with performance-based incentive programs adopted by financial institutions.
- Flexible schedules and remote work should be encouraged, and multinational firms in fields like technology and finance have specialized teams to help staff with overseas tasks.

5.Conclusions

The project proposal examines the impact of external factors on employee recruitment and retention of Travelodge in the UK hotel industry. It suggests embracing automation, AI, and collaboration with local educational institutions to mitigate challenges. Recommendations include offering attractive pay, training, and advancement opportunities, addressing skill shortages, and revising workforce planning and retirement policies to mitigate the impact of economic conditions and technological advancements.

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