

BMIH5005

International Hotel Management

Personnel Resourcing and Development

Week 4 – Industry Analysis



HOSPITALITY
AND
TOURISM
MANAGEMENT



Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Content

- Recap of last session
- PESTLE Analysis
- SWOT Analysis
- Assignment 2

How much do you think the industry has changed since the beginning?





3 Competitive Challenges Influencing HRM

Technology

Sustainability

Globalization

3 Competitive Challenges Influencing HRM

- Which one is more important in influencing HRM?



Sustainability includes the ability to

- succeed in a dynamic competitive environment
- deliver a return to shareholders
- provide high-quality products, services and work experiences for employees
- increased value placed on intangible assets
- increased value placed on human capital, social and environmental responsibility
- adapt to changing characteristics and expectations of the labor force
- address legal and ethical issues
- effectively use new work arrangements

Competitive Challenges Influencing Human Resource Management ¹

- Competing Through Environment, Social, and Governance (ESG) Practices.
- **Sustainability:**
 - Company's ability to meet its needs without sacrificing the ability of future generations to meet their needs.
 - Company must meet **stakeholders'** needs.
 - ESG practices must be part of company's business model to gain competitive advantage and reduce legal risks.

<https://www.youtube.com/watch?v=CLSP62-Q87A>

Competitive Challenges Influencing Human Resource Management ₃

- Understand and Enhance the Value Placed on Intangible Assets and Human Capital.
- Three types of assets:
 1. Financial assets (cash and securities).
 2. Physical assets (property, plant, equipment).
 3. **Intangible assets** (human capital, customer capital, social capital, intellectual capital).

Table 1.6 Examples of Intangible Assets

Human capital.

- Tacit knowledge.
- Education.
- Work-related know-how.
- Work-related competence.

Customer capital.

- Customer relationships.
- Brands.
- Customer loyalty.
- Distribution channels.

Social capital.

- Corporate culture.
- Management philosophy.
- Management practices.
- Informal networking systems.
- Coaching/mentoring relationships.

Intellectual capital.

- Patents.
- Copyrights.
- Trade secrets.
- Intellectual property.

Competitive Challenges Influencing Human Resource Management ⁴

- Understand and Enhance the Value Placed on Intangible Assets and Human Capital.
- Knowledge workers.
 - Contribute specialized knowledge
- Training Options:
 - **Upskilling or reskilling** current employees.
 - Hire and train employees who lack of the complete skill set.
 - Partner with local, federal and state sponsored and funded organizations.
 - Train hard-to-employ individuals.

Competitive Challenges Influencing Human Resource Management ⁵

1. Emphasize Empowerment and Continuous Learning:

- Give employees responsibility and authority.
- Hold them accountable.
- Employees share in the rewards and losses.
- Learning organization

Competitive Challenges Influencing Human Resource Management ⁶

2. Adapt to **Change**:

- Inevitable.
- Employees expected to take more responsibility for own careers.
- Challenge is how to build a committed, productive workforce.
- Employees manage change through **agility**.
- Changes in the employment relationship.

Competitive Challenges Influencing Human Resource Management ₇

3. Maximize **Employee Engagement**:

- Passionate about their work.
- Committed to the company and its mission.
- Work hard to contribute.
- Measured with attitude or opinion surveys.
- Focus on **employee experience**.
- **Employee value proposition (EVP)**. To attract and retain talented employees, companies often use an employee value proposition (EVP) to communicate the experience that employees can expect. An **employee value proposition (EVP)** is a strategic statement that communicates the company values, how they affect employees, and how the employee experience reflects the values.

Table 1.7 Common Themes of Employee Engagement

COMMON THEMES OF EMPLOYEE ENGAGEMENT

1. Pride in employer.
2. Satisfaction with employer.
3. Satisfaction with the job.
4. Opportunity to perform challenging work.
5. Recognition and positive feedback.
6. Personal support from manager.
7. Effort above and beyond the minimum.
8. Understand link between one's job and company's mission.
9. Prospects for future growth with the company.
10. Intention to stay with the company.

• SOURCES: Based on R. Vance, Employee Engagement and Commitment (Alexandria, V A: Society for Human Resource Management, 2006); T. Lytle, "The Engagement Challenge," H R Magazine, October 2016, pp. 52–58.

Competitive Challenges Influencing Human Resource Management ⁸

4. Manage Talent:

- Acquiring and assessing employees.
- Learning and development.
- Performance management.
- Compensation.

Competitive Challenges Influencing Human Resource Management ¹¹

5. Meet the Needs of Stakeholders, Shareholders, Customers, Employees, and Community.
 - Demonstrate performance to stakeholders: the **balanced scorecard**.
 - Being customer-focused.
 - Improving quality.
 - Emphasizing teamwork.
 - Reducing new product and service development times.
 - Managing for the long term.

Table 1.8 The Balanced Scorecard

PERSPECTIVE	QUESTIONS ANSWERED	EXAMPLES OF CRITICAL BUSINESS INDICATORS	CRITICAL HR INDICATORS
Customer	How do customers see us?	Time, quality, performance, service, cost	Employee satisfaction with HR department services; Employee perceptions of the company as an employer
Internal	What must we excel at?	Processes that influence customer satisfaction, availability of information on service, and/or manufacturing processes	Training costs per employee, turnover rates, time to fill open positions
Innovation and learning	Can we continue to improve and create value?	Improve operating efficiency, launch new products, continuous improvement, empowering of workforce, employee satisfaction	Employee/skills competency levels, engagement survey results, change management capability
Financial	How do we look to shareholders?	Profitability, growth, shareholder value	Compensation and benefits per employee, turnover costs, profit per employee, revenue per employee

Competitive Challenges Influencing Human Resource Management ¹²

6. Demonstrate Social Responsibility.

- Helps boost company's image with customers.
- Helps gain access to new markets.
- Helps attract and retain talented employees.

Customer Service and Quality

✓ **Malcolm Baldrige National Quality Award**- following: **Malcolm Baldrige National Quality** promotes quality awareness, to recognize quality achievements, and to publicize successful quality strategies

1. **Leadership**: How upper management leads the organization, and how the organization leads within the community.
2. **Strategy**: How the organization establishes and plans to implement strategic directions.
3. **Customers**: How the organization builds and maintains strong, lasting relationships with customers.
4. **Measurement, analysis, and knowledge management**: How the organization uses data to support key processes and manage performance.
5. **Workforce**: How the organization empowers and involves its workforce.
6. **Operations**: How the organization designs, manages, and improves key processes.
7. **Results**: How the organization performs in terms of [customer satisfaction](#), finances, human resources, supplier and partner performance, operations, [governance](#) and [social responsibility](#), and how the organization compares to its competitors.

Customer Service and Quality

- ✓ ISO 9000:2000
- ✓ Six Sigma Process
- ✓ Lean Thinking

Total Quality Management (TQM) 5 Core Values

1. Methods and processes are designed to meet internal and external customers' needs.
2. Every employee receives training in quality.
3. Promote cooperation with vendors, suppliers and customers.
4. Managers measure progress with feedback based on data.
5. Quality is designed into a product or service so that errors are prevented rather than being detected and corrected.

Competitive Challenges Influencing Human Resource Management ¹⁴

- **Malcolm Baldrige National Quality Award.**
- Competition that promotes quality.
- **ISO (International Organization for Standardization) 9000 Standards.**
- International standards of quality.
- ISO 9001 is the trusted quality management system standard that helps you monitor and continually improve the quality of your products and services.

Competitive Challenges Influencing Human Resource Management ¹⁵

- **Six Sigma:**

- Six Sigma is a quality-control methodology that businesses use to significantly reduce defects and improve processes.
- The model was developed by a scientist at Motorola in the 1980s.
- Process of measuring, analyzing, improving, and controlling processes
- The five phases of the Six Sigma method, known as DMAIC, are **defining, measuring, analyzing, improving, and controlling.**

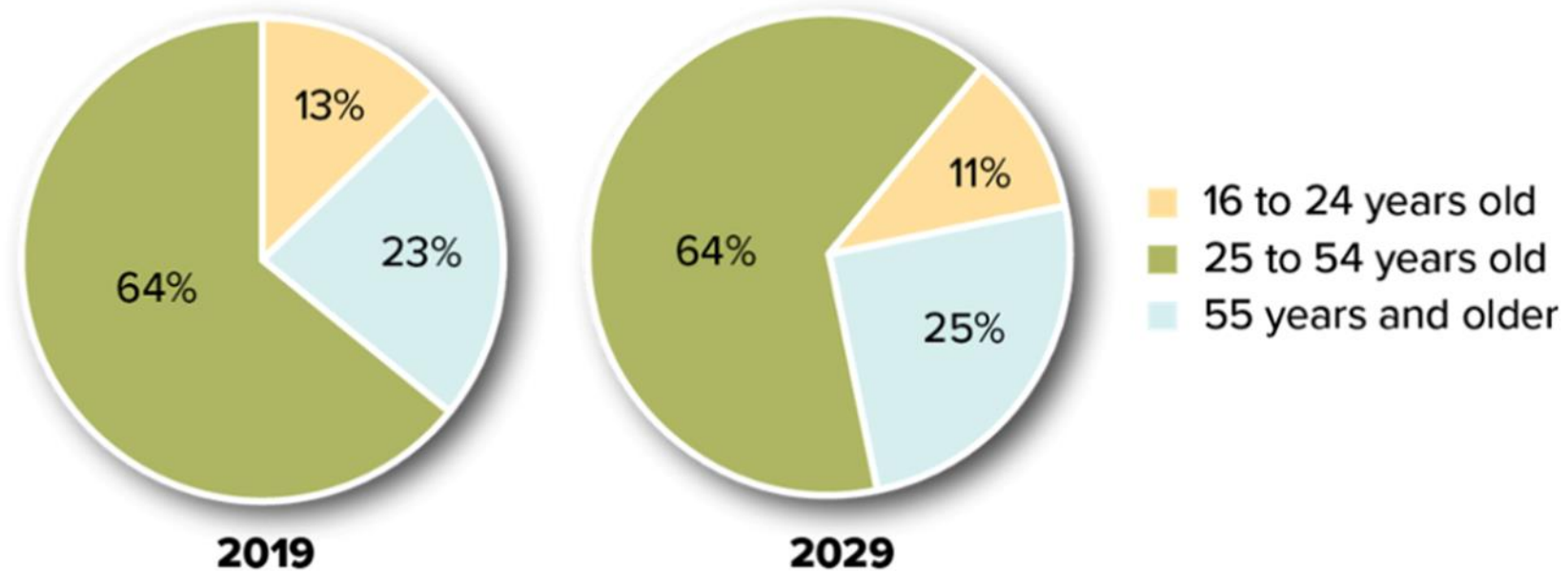
Competitive Challenges Influencing Human Resource Management ¹⁵

- **Lean Thinking and Process Improvement.**
- Do more with less effort, equipment space, and time.
- Improve quality of employees' work experiences.
- is a management framework (philosophy, practices and principles)
- Lean is a way of thinking about creating needed value with few resources and
- achieving perfect value with zero waste

Changing Demographics and Workforce Diversity

- **Internal labor force** - current employees
- **External labor market** - persons outside the firm actively seeking employment.
 - Average age of workforce will increase.
 - Increased workforce diversity
 - Immigration will affect size and diversity
 - Generational difference with five generations.
 - Gender and racial composition of the workforce

Figure 1.5 Comparison of the Age Distribution of the 2019 and 2029 Labor Forces



• SOURCE: U.S. Bureau of Labor Statistics, "Employment Projections, Civilian Labor Force, by Age, Sex, Race, and Ethnicity," <https://www.bls.gov/emp/tables/civilian-labor-force-summary.htm>, accessed February 13, 2021.

Table 1.10 Generations in the Workforce

YEAR BORN	GENERATION	AGES
1925 to 45	Traditionalists Silent Generation	>76
1946 to 64	Baby Boomers	57 to 75
1965 to 80	Generation X	41 to 56
1981 to 95	Millennials Generation Y Echo Boomers	26 to 40
1996	Generation Z	<25

Competitive Challenges Influencing Human Resource Management ¹⁹

1. Legal Issues:

- Employment laws and regulations.
- Eliminating discrimination and harassment.
- Health care coverage.
- Immigration.
- Data security practices and protecting intellectual property.

Meeting Competitive Challenges Through HRM

Dimensions of HRM Practices

- Managing the HR environment
- Acquiring and preparing HR
- Assessment and development of HR
- Compensating HR

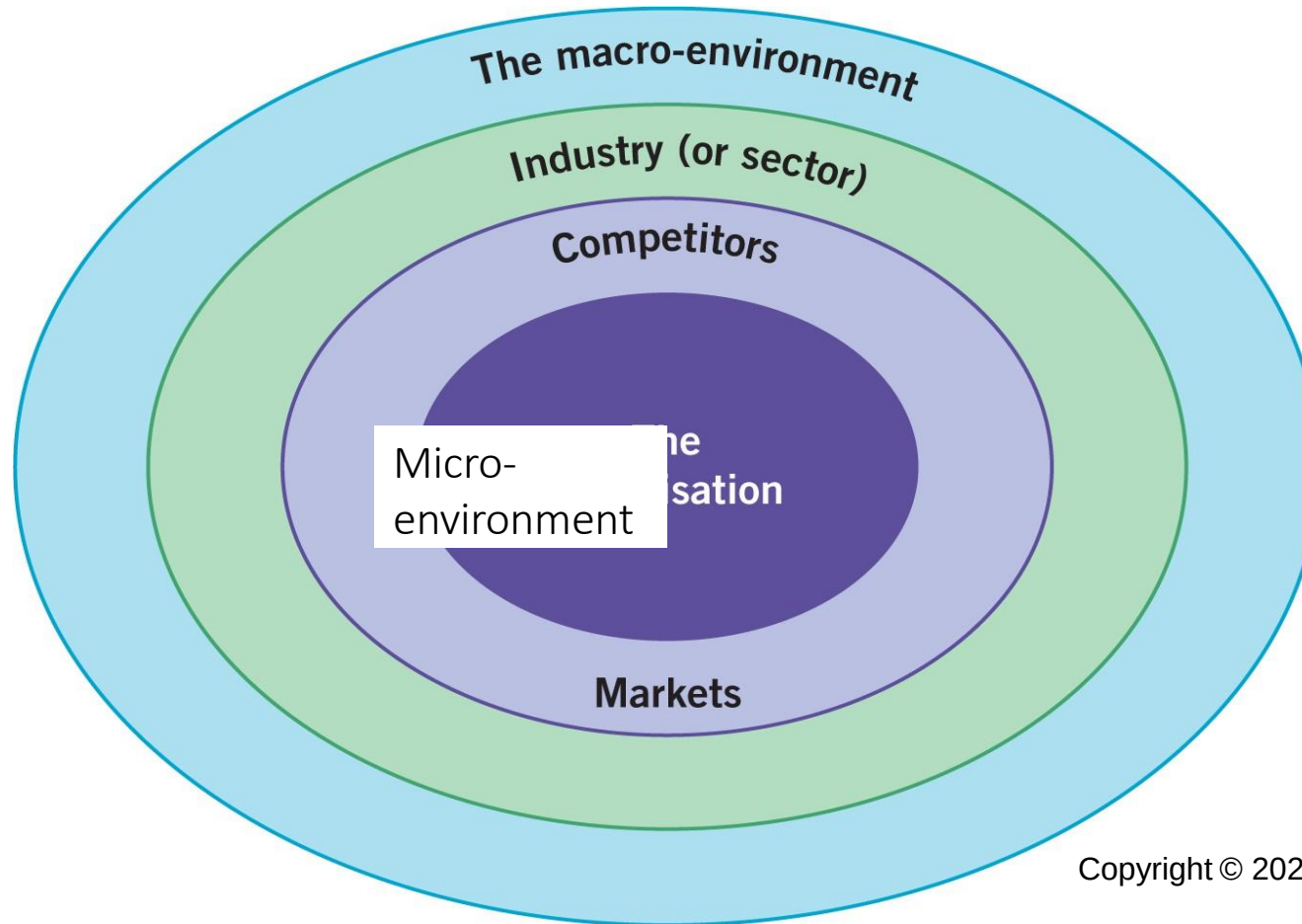
Dimensions of HRM Practices

- Managing environmental factors allows employees to make a greater contribution to company productivity and competitiveness.
- HRM measures performance, creates an employment relationship and mutually beneficial work environment and designs pay, benefit and reward systems.
- Customers needs for new products or services influence the number and type of employees needed. HRM determines employee requirements and training.

PESTLE Analysis....

Anything you can recall from what you learnt at Level 4 ?

Layers of the business environment



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The PESTEL framework

The PESTEL framework categorises environmental factors into six key types:

P	E	S	T	E	L
- Government policy - Political stability - Corruption - Foreign trade policy - Tax policy - Labour law - Trade restrictions	- Economic growth - Exchange rates - Interest rates - Inflation rates - Disposable income - Unemployment rates	- Population growth rate - Age distribution - Career attitudes - Safety - Health consciousness - Lifestyle attitudes - Cultural barriers	- Technology incentives - Level of innovation - Automation - R&D activity - Technological change - Technological awareness	- Weather - Climate - Environmental policies - Climate change - Pressures from NGO's	- Discrimination laws - Antitrust laws - Employment laws - Consumer protection laws - Copyright and patent laws - Health and safety laws

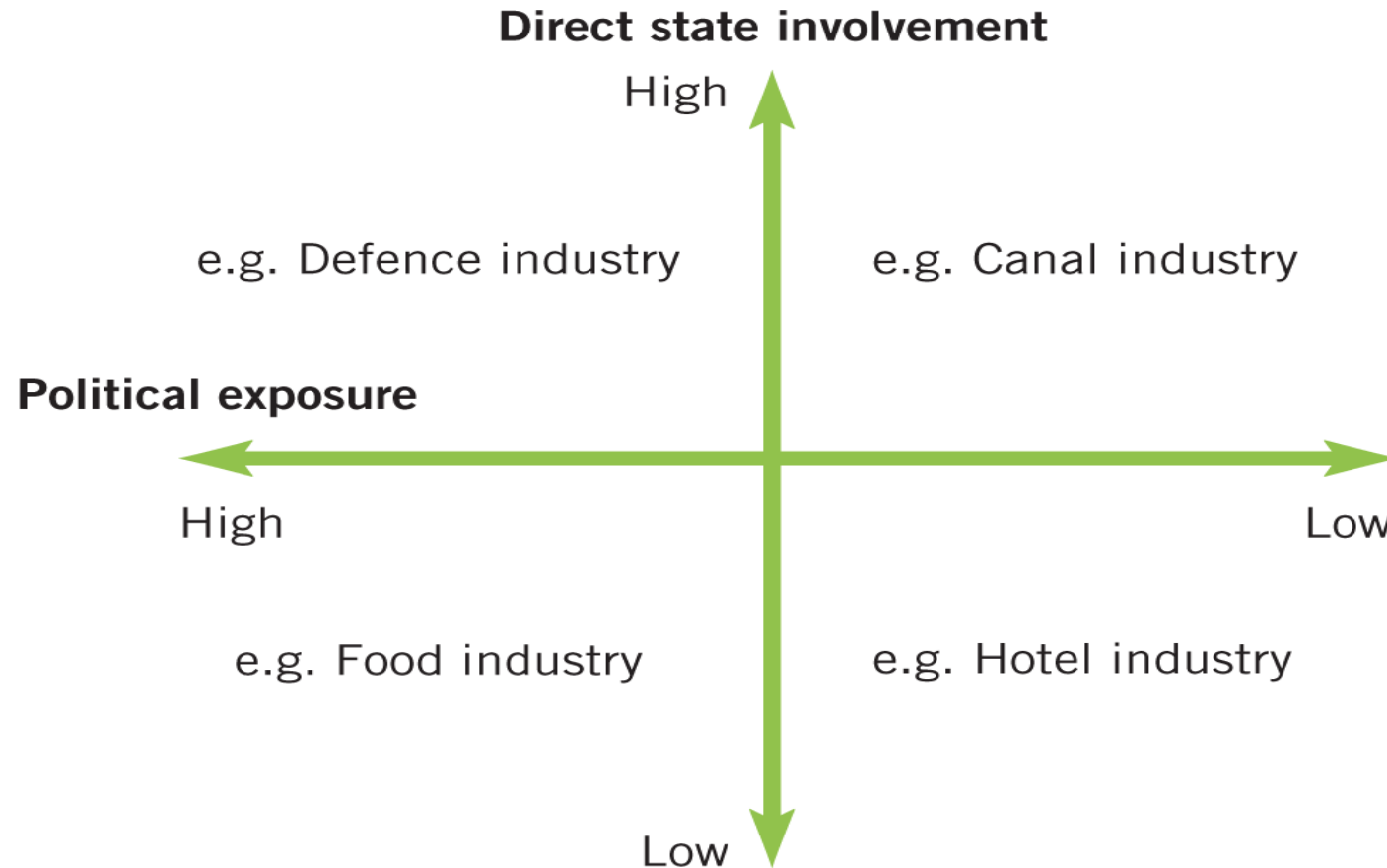
- **Political:** Tax policy; environmental regulations; trade restrictions and reform; tariffs; political stability
 - **Economic:** Economic growth/decline; interest, exchange, inflation and wage rates; minimum wage; working hours; unemployment (local and national); credit availability; cost of living
 - **Sociological:** Cultural norms and expectations; health consciousness; population growth rates; age distribution; career attitudes; health and safety
 - **Technological:** New technologies are continually emerging (for example, in the fields of robotics and artificial intelligence), and the rate of change itself is increasing. How will this affect the organisation's products or services?
 - **Legal:** Changes to legislation impacting employment, access to materials, quotas, resources, imports/exports, and taxation
 - **Environmental:** Global warming and the increased need to switch to sustainable resources; ethical sourcing (both locally and nationally), including supply chain intelligence. Pandemics and other emergencies.
- **By analysing those factors, organisations can gain insight into the external influences which may impact their strategy and business decisions**

Political

- These are all about how and to what degree a government intervenes in the economy.
- This can include – government policy, political stability or instability in overseas markets, foreign trade policy, tax policy, labour law, environmental law, trade restrictions and so on. (COVID-19 for example)
- Organisations need to be able to respond to the current and anticipated future legislation and adjust their HRM policies accordingly.



Political factors (example)



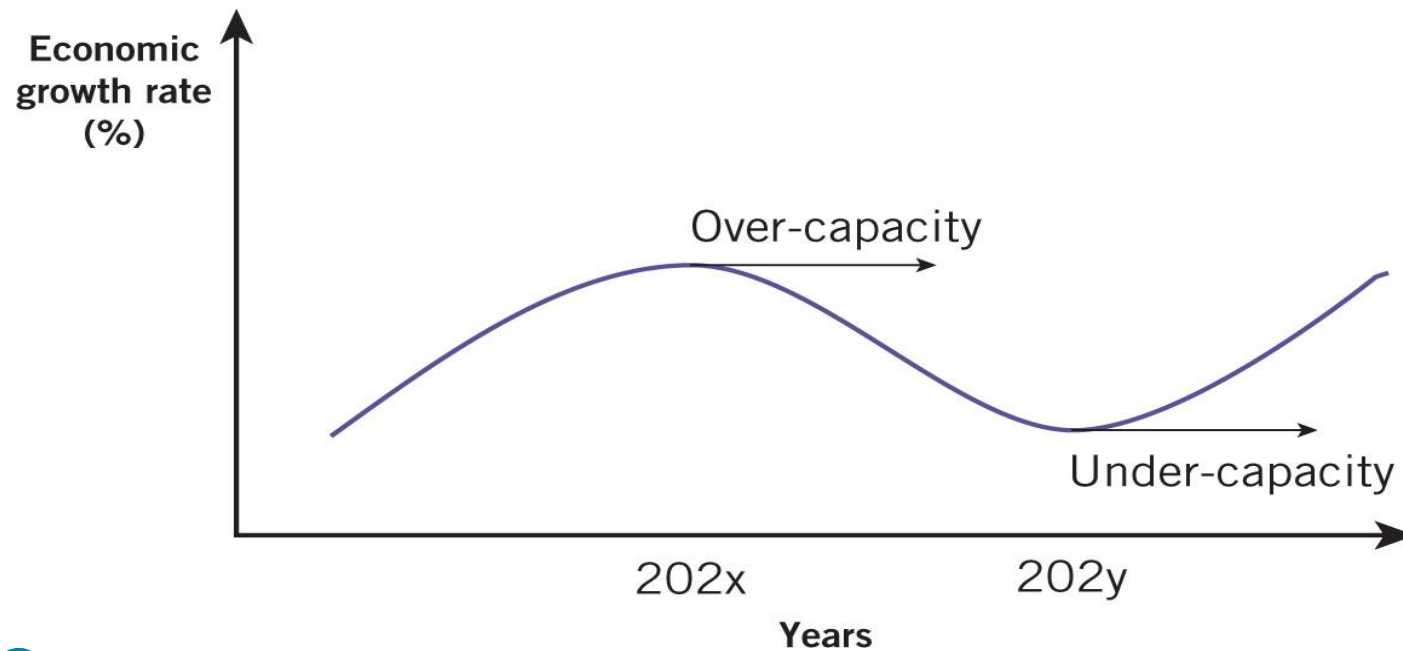
Economic factors

Economic factors include:

- Business cycles.
- Interest rates.
- Personal disposable income.
- Exchange rates.
- Unemployment rates.
- Differential growth rates around the world.

Economic factors (2 of 3)

Economic Cycles – economic growth rates have an underlying tendency to rise and fall in regular cycles.



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Economic

- Factors include – economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses.
- (Consider how the economy is being affected now by COVID-19)
- These factors can be further broken down into macro-economical and micro-economical factors.
- **Macro-economical factors** deal with the management of demand in any given economy. Governments use interest rate control, taxation policy and government expenditure as their main mechanisms they use for this.
- **Micro-economic factors** are all about the way people spend their incomes.



Social

- Also known as socio-cultural factors, are the areas that involve the shared belief and attitudes of the population.
- These factors include –age distribution, health consciousness/flexible working, career attitudes and so on.
- It is important that HRM keep up with changing behaviours such as the increase in social media usage for effective recruitment channels to target the right demographic .



Technological

Over the last 10 years, changes in technology have massively impacted every industry and the degree and speed that this will occur in the future is only going to increase.

- Examples of how technology is used in human resource management. -
 1. Employee Management & Talent Management
 2. Employee Engagement & Employee Management
 3. Training and Development
 4. Recruitment & Selection
 5. Employee Scheduling and Tracking
 6. Documentation

However, you should keep in mind that technological breakthroughs can't compete with humans. Some roles and tasks are better off done by humans. While this is true, technology is still important to businesses.





ThinkPad X1 Fold

Technological factors

New discoveries and technology developments.

E.g. nano-technology or the rise of new composite materials.

Technological factors

There are five primary indicators of innovative activity:

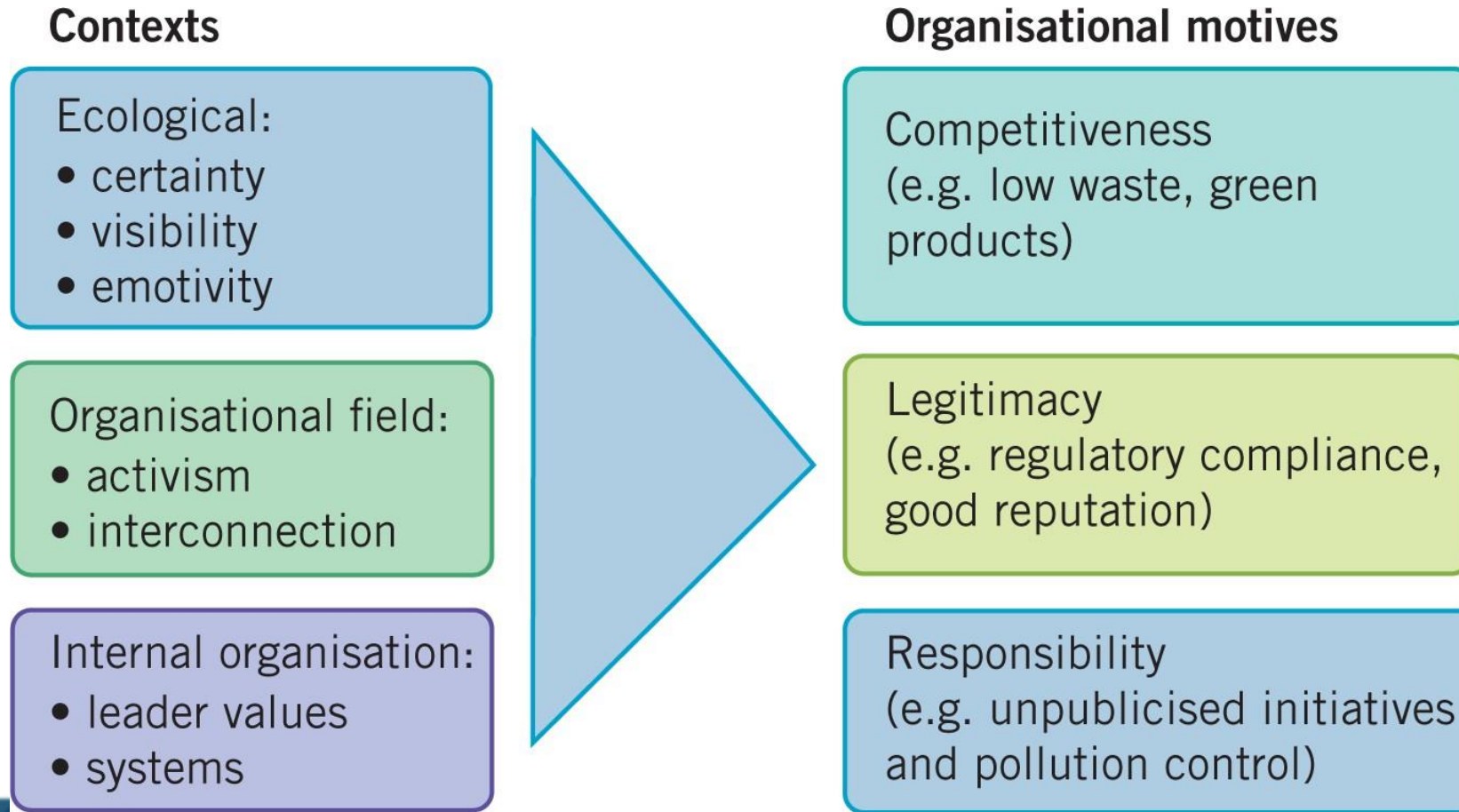
- *Research and development budgets.*
- *Patenting activity.*
- *Citation analysis.*
- *New product announcements.*
- *Media coverage.*

Environmental

- The environment has become important due to the increasing scarcity of raw materials, pollution targets, doing business as an ethical and sustainable company, carbon footprint targets set by governments (*this is a good example where one factor could be classed as political and environmental at the same time*).
- More and more consumers are demanding that the products they buy are sourced ethically, and if possible, from a sustainable source.
- (*Marriott and their sustainable agenda with the Serve 360 programme*)
- Hotels are -
 - Reducing carbon footprint
 - Saving money on operational expenses
 - Protecting the environment



Contexts and motives for ecological (environmental) issues



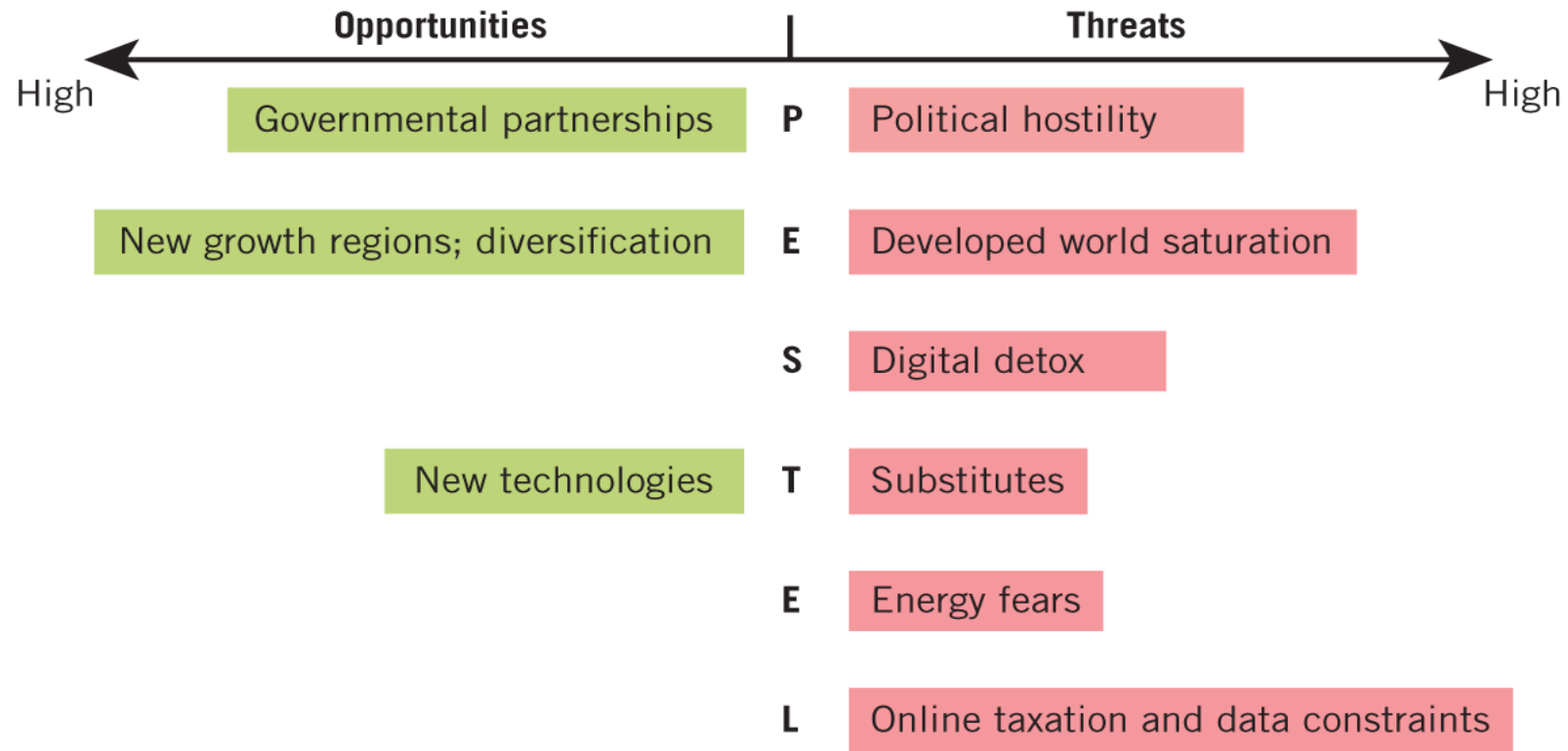
Substantially adapted from: Bansal, P. and Roth, K. (2000), 'Why companies go green: a model of ecological responsiveness', *Academy of Management Journal*, 43(4), 717–36 (Figure 2, p. 729)

Legal

- Health and Safety, equal opportunities, advertising standards, consumer rights and laws, product labelling and product safety.
- Important for companies to know what is not legal in order trade successfully.
- Employment Law
- If an organisation trades globally this becomes more difficult as each country has its own set of rules and regulations.



Example of PESTEL for Company X



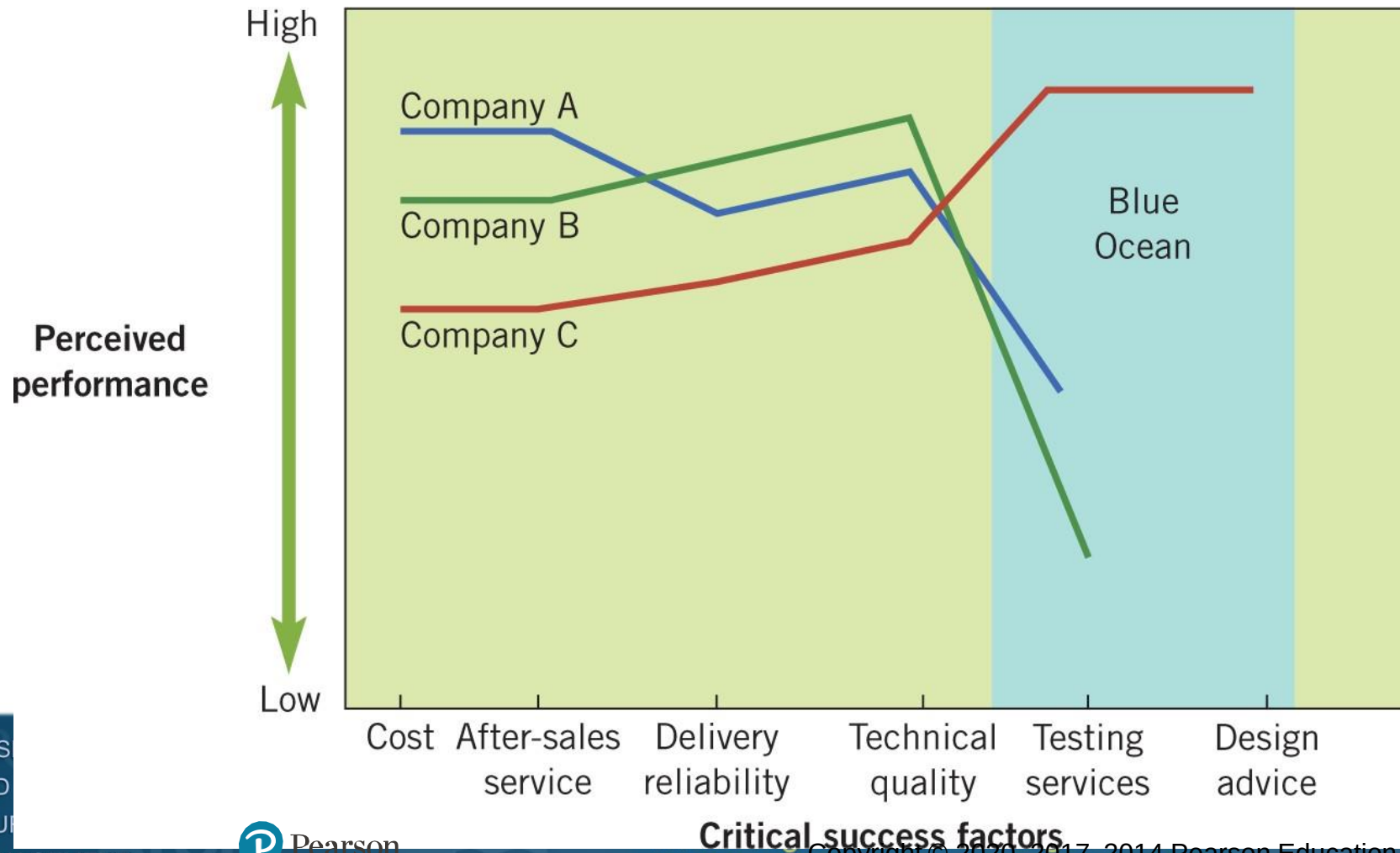
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Identify Critical success factors (CSFs)

Critical success factors are those factors that are either particularly valued by customers or which provide a significant advantage in terms of cost.

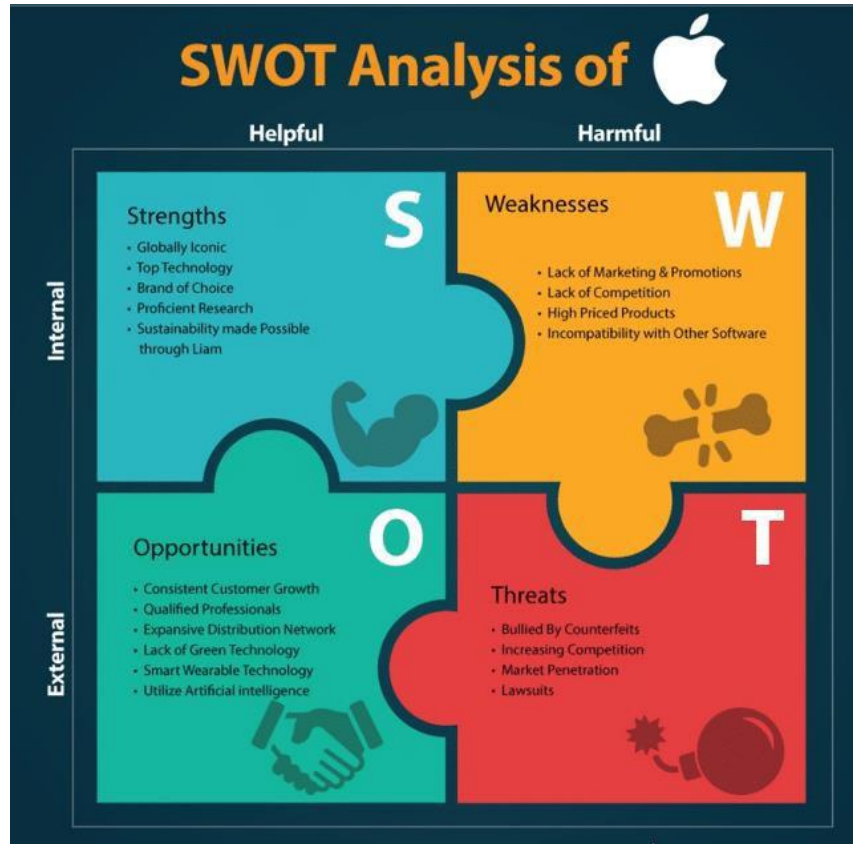
- Critical success factors are likely to be an important source of competitive advantage if an organisation has them (or a disadvantage if an organisation lacks them).
- Different industries and markets will have different critical success factors (e.g. in low-cost airlines the CSFs will be punctuality and value for money whereas in full-service airlines it is all about quality of service).

Strategy canvas



SWOT Analysis and Human Resources

SWOT analysis



SWOT provides a general summary of the Strengths and Weaknesses explored in an analysis of strategic capabilities and the Opportunities and Threats in the environment.

INTERNAL ANALYSIS:

STRENGTHS, WEAKNESSES

EXTERNAL ANALYSIS:

OPPORTUNITIES, THREATS

SWOT

- A SWOT analysis is a planning tool which seeks to identify the Strengths, Weaknesses, Opportunities and Threats involved in a project or organisation. It's a framework for matching an organisation's goals, programmes and capacities to the environment in which it operates. (CIPD, 2021)

Developing the **TOWS** matrix

How do these strategic move/plan affect HR ?

		Internal factors	
		Strengths (S)	Weaknesses (W)
External factors	Opportunities (O)	SO Strategic options Generate options here that use strengths to take advantage of opportunities	WO Strategic options Generate options here that take advantage of opportunities by overcoming weaknesses
	Threats (T)	ST Strategic options Generate options here that use strengths to avoid threats	WT Strategic options Generate options here that minimise weaknesses and avoid threats

Issues with SWOT analysis

- Long lists with *no prioritisation*.
- *Over generalisation*
- SWOT is used as *a substitute for analysis instead of the result of detailed analysis*
- SWOT is *not used to guide strategy*

How has external factors affected the industry internally?

- Using the SWOT model, add your answers to the Chat

- **Strengths:** positive tangible and intangible attributes, internal to an organisation and within the organisation's control
- **Weaknesses:** internal factors within an organisation's control that detract from the organisation's ability to attain the desired goal. Which areas might the organisation improve?
- **Opportunities:** external attractive factors that represent the reason for an organisation to exist and develop. What opportunities exist in the environment, which will propel the organisation? Identify them by their 'time frames'.
- **Threats:** external factors beyond the organisation's control which could place the organisation mission or operation at risk. The organisation may benefit by having contingency plans to address them if they should occur. Classify them by their severity and probability of occurrence.

Assignment 2

Student name:		Student ID number:	
Programme:	BA (Hons) International Hotel Management		
Module:	Personnel Resourcing and Development		
Module code:	BMIH5005	Contribution to Overall Module Assessment (%):	50
Lecturer:	Helen Lee	Internal Verifier:	Kathryn Roberts
Assignment Title:	Research Project Proposal – Analyse the impacts of socio-economic force on employees' performance management and monitoring in different work modes : Hospitality HR's perspective	Word count (or equivalent):	2 of 2
Submission deadline:	Monday 4th March 2024 23.59 Assessment drop ins WC 26th February 2024	Return date of provisional marks & written feedback:	3rd April 2024
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put the assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark: Work which is submitted up to 1 week late will be capped at 40% for the first attempt and will be awarded a mark of 0% for re-assessment. Late submission penalties may be lifted only if there is an approved extenuating circumstances claim. Work submitted more than 1 week late will be considered as a non-submission and will not be marked. The work may be considered as a submission for re-assessment if offered by an Examining Board or if there is an approved extenuating circumstances claim.		



Activity

- [8 Examples of Robots Being Used in the Hospitality Industry \(revfine.com\)](https://www.revfine.com)

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I look forward to seeing you next week. If you have any questions in the meantime, please send an email or on the Teams tile!