

What are the current challenges that the hospitality industry is facing that is affecting business performance

A research project proposal

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With its substantial presence across 133 countries and territories, Marriott International remains a formidable force within the global hospitality industry. Owning more than 7,600 properties under 30 distinct brands, the Maryland-based corporation caters to a vast array of travellers, extending from those seeking economical options to luxury enthusiasts. However, even for an established entity like Marriott, the hospitality sector's prevailing complex challenges are inescapable. A critical concern that has surfaced prominently is the problem associated with staff recruitment and retention. The aftermath of Brexit, the COVID-19 pandemic, and the economic inflation have compounded this problem, leading to a perturbed labour market characterised by job insecurity, high staff turnover rates, and difficulties in procuring and retaining proficient employees. These factors have led to a ripple effect, disrupting Marriott's operational competency and the standard of services provided. The core aim of this research proposal is to explore in depth the staff recruitment and retention issues confronting Marriott, with particular emphasis on the interplay between these internal issues and external pressures such as Brexit, the pandemic, and inflation. By engaging with a wide array of pertinent literature, conducting comprehensive PESTLE and SWOT analyses, and gleaning insights from practical instances in the industry, the study seeks to pinpoint potential strategies Marriott could implement to mitigate these workforce-related issues. The overarching goal is to equip Marriott with an empirically backed blueprint that could enhance its staff recruitment and retention strategies, thereby bolstering its overall business performance amidst an ever evolving and challenging industry environment.

Previous academic work has delved deeply into the persistent problems plaguing the hospitality industry, pinpointing staff recruitment and retention as consistent areas of concern. High staff turnover rates characterise the sector, negatively impacting operational productivity and customer service quality (Iverson and Deery, 1997). Elements contributing to this dilemma range from unsatisfactory remuneration and unsociable work schedules to restricted opportunities for career advancement. McPhail et al.'s study (2015) emphasised the importance of improving job satisfaction, offering training and professional development opportunities, and cultivating a supportive work environment as potential solutions to these issues.

The present global situation has aggravated the issues confronting the hospitality industry. Specifically, the ramifications of Brexit, COVID-19, and inflation have

introduced novel dynamics to staff recruitment and retention. Firstly, Brexit has spawned considerable instability and transformation in the UK's labour market, significantly affecting the hospitality sector. Research reveals that numerous UK-based hotels, including Marriott, heavily rely on employees from the EU (Gupta and Govindarajan, 2000). Post-Brexit immigration regulations and perceived antipathy have led to a diminishing pool of potential recruits, exacerbating the recruitment predicament. The COVID-19 pandemic has further amplified these difficulties. Widespread travel restrictions and lockdown measures have led to a steep fall in demand within the hospitality industry. Consequently, job cuts and reduced work hours have increased employee turnover and reluctance to re-engage with the industry, thereby heightening the retention problem (Pearlman and Schaffer, 2013). Simultaneously, inflation has diminished wage purchasing power in numerous countries. The rising cost of living, when paired with relatively low hospitality sector wages, has made recruitment and retention more challenging (Kusluvan et al., 2010).

Marriott International, as a significant stakeholder in the hospitality sector, has launched sustained initiatives to counter the prevalent recruitment and retention issues. Central to Marriott's strategy is its celebrated 'people-first' culture, providing an array of employee benefits, professional development opportunities, and promoting an inclusive work atmosphere. These measures have historically been effective in attracting and retaining employees (Marriott and Moore, 2016). However, the magnified external pressures arising from events such as Brexit, the COVID-19 pandemic, and economic inflation necessitate that Marriott reassess and adapt its strategies (Green, 2003). Despite its lauded 'people-first' culture, Marriott is not exempt from the recruitment and retention challenges the industry is currently grappling with. This highlights an urgent need for inventive solutions. The hospitality sector is inherently dynamic, which necessitates a corresponding flexibility in the strategies employed to address recruitment and retention. Therefore, Marriott must continue to critically evaluate and update its approach in response to the evolving landscape. Building on insights from previous studies and current events, the following section will offer potential solutions and recommendations to help Marriott navigate these external pressures and internal challenges.

The hospitality sector consistently experiences the impact of numerous external elements. To fully comprehend these influences on Marriott International, specifically regarding staff recruitment and retention, it's fitting to conduct a PESTLE analysis, which examines Political, Economic, Social, Technological, Legal, and Environmental aspects.

Political Factors:

Recent political developments, notably Brexit, have created an atmosphere of uncertainty in the hospitality industry. For global entities such as Marriott, alterations in immigration rules, work permit stipulations, and the fluidity of labour markets across boundaries have presented considerable obstacles. Specifically, these changes have resulted in a reduced talent pool for recruitment, exacerbating the retention problem as employees grapple with uncertainty about their status (Davidson, 2018).

Economic Factors:

Economic fluctuations, spurred by events like the COVID-19 pandemic and worldwide inflation, have profoundly affected the hospitality industry. Many organisations, including Marriott, had to employ cost-saving actions such as furloughs or redundancies, creating a perception of instability within the sector (Schoening and Shapiro, 2020). This has unavoidably impacted Marriott's ability to draw and retain exceptional talent, with potential employees leaning towards more economically stable industries.

Social Factors:

Evolving social dynamics and changing perceptions towards work also exert an impact on staff recruitment and retention. There is an escalating focus on achieving a work-life balance, potential for career progression, and a supportive work environment. If not properly addressed, these factors can induce higher staff turnover in establishments like Marriott (Peshave and Gupta, 2017).

Technological Factors:

The ascent of technology and automation in the hospitality sector has created a paradox. On one side, it has streamlined operations and reduced the need for certain roles; on the other, it demands the recruitment of individuals proficient in new technologies (Bilgihan et al., 2011). This shift necessitates Marriott to adapt its recruitment and retention strategies to accommodate these changing skill prerequisites.

Legal Factors:

The legal landscape significantly influences recruitment and retention. Laws concerning employment rights, minimum wage, working hours, and health and safety can impact an organisation's ability to sustain a content workforce (Dallas, 2012). For Marriott, complying with these legal requirements across diverse geographical locations can be challenging but is vital for upholding a positive employer reputation and, subsequently, employee retention.

Environmental Factors:

The mounting emphasis on sustainability in the hospitality sector is paramount. Hotels are anticipated to demonstrate corporate social responsibility (CSR), encompassing sustainable practices and contributions to local communities (Yoon and Chen, 2017). For Marriott, this provides an opportunity for favourable branding that can attract and retain employees who appreciate working for an employer who prioritises environmental consciousness and social responsibility.

In light of these considerations, it's evident that Marriott's recruitment and retention challenges are multifaceted, moulded by intricate external influences. Tackling these issues requires a thorough, adaptable approach that considers the full spectrum of PESTLE factors.

Understanding Marriott's current predicament, particularly regarding employee recruitment and retention, can be significantly enhanced through the lens of a SWOT analysis. This analysis examines the Strengths, Weaknesses, Opportunities, and Threats pertaining to Marriott's situation.

Strengths

At the core of Marriott's strengths is the company's ingrained philosophy of 'Putting People First.' This ethos, which prioritises the welfare and development of its employees, differentiates Marriott in the hospitality industry. Their culture encourages team members to perform at their best, acknowledging their contributions as essential components of the company's success (Richman, 2012). Such a supportive environment can significantly improve employee satisfaction and morale, which are crucial factors in retaining staff. The resulting reduced turnover rate further enhances Marriott's reputation as an attractive employer, drawing top-tier candidates to its ranks. Moreover, the security instilled by Marriott's people-first culture can be particularly comforting for employees in an industry notorious for high staff turnover and instability.

Weaknesses

Despite Marriott's considerable strengths, it's not insulated from the challenges endemic to the hospitality industry. The most pressing weakness currently is the high staff turnover rate, a pervasive issue in the sector (Basnyat and Clarence Lao, 2019). The repercussions of such turnover are multifaceted, impacting not only financially through recurrent recruitment and training expenses, but also risking the degradation of service quality—a crucial aspect of Marriott's brand image. Given Marriott's service-oriented ethos, a high turnover rate could disrupt service consistency, potentially jeopardising customer trust and loyalty over time. Additionally, every new hire entails a certain degree of risk during their initial learning period, which may increase the likelihood of mistakes and impact customer satisfaction.

Opportunities

The present environment in the hospitality industry, along with broader societal changes, presents Marriott with a host of opportunities. A notable opportunity lies in the trend towards global digital transformation. As industries across the board increasingly integrate technology into their operations, the hospitality industry isn't far behind. Marriott, with its global footprint and resources, is primed to exploit technology to enhance its recruitment processes, thus appealing to the tech-savvy younger generations. As Schoening and Shapiro (2020) report, millennials, and Generation Z, often termed 'digital natives,' display a predilection towards companies that use technology in innovative and user-friendly ways. This extends to recruitment processes, where digital platforms are preferred for their accessibility and efficiency. Marriott could capitalise on this preference by implementing technology in its recruitment and induction processes. Doing so would not only streamline these operations but also position Marriott as a forward-thinking employer, thereby enhancing their attractiveness to younger job seekers.

Threats

Whilst exploring its opportunities, Marriott also confronts a range of threats with significant implications for staff recruitment and retention. Key among these are the repercussions of global events like Brexit and the COVID-19 pandemic. These have unsettled economic stability, leading to a volatile economic environment, and introducing uncertainty in the labour market. Following Brexit, changes in immigration regulations have induced apprehension among EU workers in the UK, leading to a reduction in the talent pool available for the hospitality industry (French, 2018). This presents significant recruitment challenges for Marriott, given its reliance on a diverse workforce.

In conclusion, the SWOT analysis underscores the complex interactions of internal and external factors that influence Marriott's recruitment and retention strategies. Recognising and addressing these dynamics is pivotal in formulating effective human resource strategies to cultivate a stable, satisfied, and skilled workforce.

After thorough analysis, we find that Marriott International's recruitment and retention struggles arise from a complex interplay of internal strategies and external forces, all of which reflect industry-wide issues. From Brexit to the COVID-19 pandemic, current global events have amplified the challenges in the hospitality industry, making recruitment and retention harder. However, Marriott's 'people-first' culture and commitment to employee development remain significant assets in managing these hurdles.

It is suggested that Marriott further enhances its recruitment strategies by optimising digital platforms. As millennials and Gen Z continue to form a major part of the workforce, appealing to their technological savvy and preference for efficient and user-friendly processes will be beneficial. By doing this, Marriott can position itself as a modern and forward-thinking employer that aligns with the expectations of the younger generations. In relation to employee retention, it would be advisable for Marriott to foster an even more supportive work environment. This could involve introducing more flexible work arrangements to cater to changing perceptions of work-life balance, as well as continual investment in employee training and development. Implementing such strategies can significantly improve job satisfaction, an important determinant of staff turnover. Marriott could also further capitalise on its CSR initiatives and commitment to sustainability. Not only does this align with the growing consumer demand for eco-friendly practices, but it can also attract employees who value working for a socially responsible employer.

The implementation of these recommendations holds the potential to improve Marriott's recruitment and retention performance. On one hand, a more efficient recruitment process could widen the company's access to skilled individuals, resulting in improved service delivery and customer satisfaction. On the other hand, successful retention of staff can minimise the costs associated with turnover, such as recruitment, training, and potential disruption to service delivery. Moreover, by enhancing its appeal to a wider talent pool and improving employee satisfaction, Marriott can sustain its reputation as a desirable employer. This can create a positive cycle, as high employer

attractiveness can further facilitate recruitment efforts, while satisfied employees are less likely to leave the company.

Ultimately, by addressing its recruitment and retention challenges, Marriott will be better positioned to uphold its 'people-first' culture and deliver on its promise of excellent service, thus ensuring its ongoing success in the challenging landscape of the hospitality industry.

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