

Using a Research Approach in Human Resources

Report Title: How Brexit is affecting employee retention in hospitality

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Executive summary

This research report aims to contribute to the retention of staff that may be affected by Brexit in the hospitality departments at Bluestone Resorts. With a Brexit deal hopefully being finalised in December 2020, the effects on EU employees aren't fully known but there is plenty of theories and

The methodology included the gathering of secondary data and completing desktop research. Due to COVID-19 my ability to collate primary research was massively limited which has resulted in me carrying out desktop research instead. My research is mainly quantitative and positivist due to the access I had from home. The secondary data was captured in the literature review to identify what is currently known about the affects of Brexit on employees. I critically analysed this information against the information I received through my desktop research to determine if the effects were present within Bluestone's Food and Beverage team.

Desktop research was captured by obtaining copies of leaver surveys from the past 6 months from December 2019 to June 2020. Samples were from the Food and Beverage department and compared to leaver surveys from IT, Finance and HR departments. 18 of the 155 employees from Food and Beverage had left Bluestone within the past 6months whereas none of the 45 employees from IT, HR and Finance had left in the same time period. Leaving employees took the survey shortly before or after leaving Bluestone employment and were asked a series of questions where they could answer either, 'Strongly Agree', 'Agree', 'Disagree', and 'Strongly Disagree'. There was also an opportunity for them to elaborate their reasoning at the end of the survey.

The results from the research reviled that Brexit did not appear to be a factor in these employees leaving; however, there was a correlation between the secondary research and data from the leaver surveys regarding the work, work environment and how they were treated. The secondary research showed that the most effective ways to retain employees that were thinking of leaving the UK due to Brexit was to implement more flexible working, good relationship with managers and co-workers, training and development opportunities, and have a positive work culture.

During my analysis of the leaver surveys, the highest reasons for leaving Bluestone were related to how they felt about their work, feeling valued and having progression opportunities. These employees also rated how they felt about Bluestone's culture, treatment of staff, and opportunities to progress; which they scored the highest as positives about their experience working at Bluestone. These results showed that Bluestone needs to ensure all of these points are present and perceived positively by employees to retain the workforce.

Following this report recommendations will be made to the Head of Food and Beverage, the Head of Learning and Development and the Director of People Services to provide a framework for line managers to establish and maximise their employee retention.

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How Brexit is affecting employee retention in hospitality

1. Introduction (terms of reference)

The purpose of this research report is to critically evaluate the effects of Brexit on employee retention, specifically within the hospitality industry. The focus of this research is to determine if there is an effect due to Brexit and how to retain those employees. I compared the leaver survey against the Food and Beverage department and other departments such as Finance, IT and HR for the same time period.

The reason for completing this research report is due the potential implications Brexit and of EU nationals leaving the UK or not wanting to work in the UK due to the lack of free movement.

Aims –

The aim of this research is to critically analyse the effects of Brexit on hospitality employees and what can be done to retain those employees? The intention of this research report is to inform stakeholders and to potentially reduce employee turnover due to Brexit.

Objectives -

- To identify and critically analyse the factors specifically related to Brexit and employee retention
- To identify and critically analyse methods and theories relating to retaining those staff
- To make recommendations for a retention strategy for possible implementation at Bluestone Resorts

2. Literature Review

Throughout the process of researching the impact of Brexit, I have found different articles and studies linked to this subject. Some articles are a prediction of what is to come, whilst others relate to the actual affect of Brexit before COVID-19 took the lime light. For this reason I have also briefly researched the added impact of COVID-19. 'Push' and 'pull' factors will have an impact on how 'tight' or 'lose' the labour market is once a deal (or no deal) has been made in December 2020. "Since 2017 it is estimated that over a million workers in the UK are from Poland alone" (Taylor, 2019, p. 20), and how the UK government decide to police European workers entering the UK will massively "impact the UK labour markets" (Proctor, 2020).

2.1 Key Terminology

'Brexit' is the "withdrawal of the UK from the European Union", and since the 31 January 2020 the UK has been in a transition period, due to end on the 31 December 2020 (Proctor, 2020).

Employee 'retention' is defined by the CIPD as the "extent to which an employer retains its employees, usually measured by a specific length of service" (CIPD, 2018).

2.2 Predictions and concerns of the effects of Brexit

In 2016, "7% of the UK workforce was from the EU" and some will still be entitled to work in the UK after Brexit if an Australian based points system is in place (Hillage, 2016, p. 1). This system may affect low skilled as they would not be eligible to work in the UK if there is a salary or skills threshold. Beech and pinion (2017) states that the prime minister had rejected the idea of a points-based system but instead suggests a permit-style scheme; leading organisation to take "urgent action to explore recruitment channels to offset the risk of looming labour shortages" (CIPD, 2018). Although, there may be a softer approach to employers who recruit large numbers of migrant workers if they can prove they are investing in their skills but also make efforts to recruit locally (CIPD, 2018).

Another theory is that "with less migrant workers working in the UK that pay levels may rise" resulting in more UK citizens taking up low skilled work. However, the National Living Wage is likely to have a "stronger affect on low pay" and the cost of imports may rise depending on a trade deal (Hillage, 2016).

Jacobs and Goulden (2016) state that "PwC research, 15% of organisations said they had already seen people withdraw from accepting job offers since Brexit"; the talent market issues may accelerate faster than anticipated. This is backed up by research from Badenoch & Clark (2019), which found that "54% of EU & EAA nationals said they would consider leaving the UK to find work". According to a CIPD survey, 72% of HR professionals expected an "increase in competing for highly qualified staff". There are also concerns that work places will become less health and safety orientated as many UK employment rights originate from EU directives (Roper, 2020, p. 14).

In 2017 the number of work visas issued was the highest since 2009 (Summary of latest statistics, 2017). This was largely attributed to a 7% rise in tier 2 visas for skilled workers. The EU migration was still positive with "74,000 more EU citizens arrive than leave" although this has still been less each year since 2014. Employers are looking further than Europe to fill skilled vacancies (Churchill, 2018).

Coronavirus has also had an impact; Everett (2020) says that "the future of work is here" as the coronavirus pandemic has accelerated distant hypothetical theory to an immediate priority. This means that some workers may be made redundant, have their pay and hours cut or remain on furlough due to a decrease in the GDP by a potential 9%. However, organisations may take a more blended approach to office working by using technology to reduce travel.

2.3 Findings and strategies to overcome Brexit concerns

Saul (2019), states that organisations will need to be creative in supporting their recruitment and retention by offering more flexible shifts. Proctor (2020) supports this, saying organisations will need to maintain employee engagement by good communication; "HR should be armed with the correct information". This is backed up by Haycock (2018) who says that HR should provide support to their migrant workers and could even show their commitment by paying the costs of visas. Kropp (2019) agrees that HR leaders should focus on their strategies to engage and retain employees and that

they “don’t lose sight of the drivers that commonly influence employer value propositions”; things like work-life balance, career opportunities and compensation are what employees’ value most.

Mugridge, Swift and Jackson (2020) state that by utilizing exit interviews from leaving employees, you can “improve your company’s performance”. Effective and direct questions should be asked in an exit interview to get the most honest opinion although, XpertHR.co.uk (2019) state that employees aren’t always going to be truthful as they “can be reluctant to voice criticism of their managers or co-workers”, making accurate information difficult to obtain.

Another solution is to employ over-50s. A survey carried out by CATERA.com reported that 2.5million people aged 50 and over are interested in moving to the hospitality industry. Greedy (2020) also added that flexible working, training and progression opportunities available to all ages is good for staff retention.

2.4 Summary of literature review

The key findings is that the labour market may become tight for employers trying to recruit staff of all abilities as skilled workers are likely to have to go through a lengthy process to work in the UK, whilst low skilled workers may not meet the criteria to be allowed to work in the UK. The ‘push’ factors for EU workers are that there is likely to be a points-based system in place and health and safety may suffer as an affect of law changes. The ‘pull’ factors are that employers may be more committed to retaining staff and invest in them through training, opportunities and providing them with flexible working. The arguments are researched with data and evidence to back up the theories and solutions; many of the solutions revolve around being a flexible employer with opportunities and training for all ages.

This leads me to want to find out if the hospitality departments at Bluestone Resorts are facing the same issues and if so, what can we do to overcome them? I hope my research can contribute by finding out if employees are leaving the business due to Brexit or if there are other reasons, and what can be done to positively impact retention.

3. Methodology

Consideration was given to a number of different research approaches before deciding to gather my research by completing a thorough desktop research. The reason for choosing this approach was due to the impact of COVID-19 as my workplace has been closed since March and I have been on Furlough, with no access to any work systems from home. As my research had to be done this way, most of it is quantitative and positivist.

I obtained a sample of exit surveys from Food and Beverage employees who had left Bluestone within the past 6 months. 18 employees completed this questionnaire but it has not been amended for my research and may not provide me with specific information regarding Brexit, resulting in potentially unreliable, invalid information. There are currently 5 employees’ who are European

nationals who are still employed by Bluestone and have been for at least 6 months so these exit interviews have been undertaken solely by British employees.

I reviewed and amended the completed questionnaires to keep questions that were mentioned during my secondary research. Participants were able to answer the questions with 'strongly disagree'; 'disagree'; 'agree'; and 'strongly agree' with the option to elaborate at the end of the survey.

I will compare the leaver surveys completed by Food & Beverage staff against employees that work in HR, IT & Finance where there are currently 2 European employees still employed. I wanted to see if there were any similarities or differences between these departments.

Due to ethical considerations I will not name any employees or give any personal data used in this research in line with GDPR.

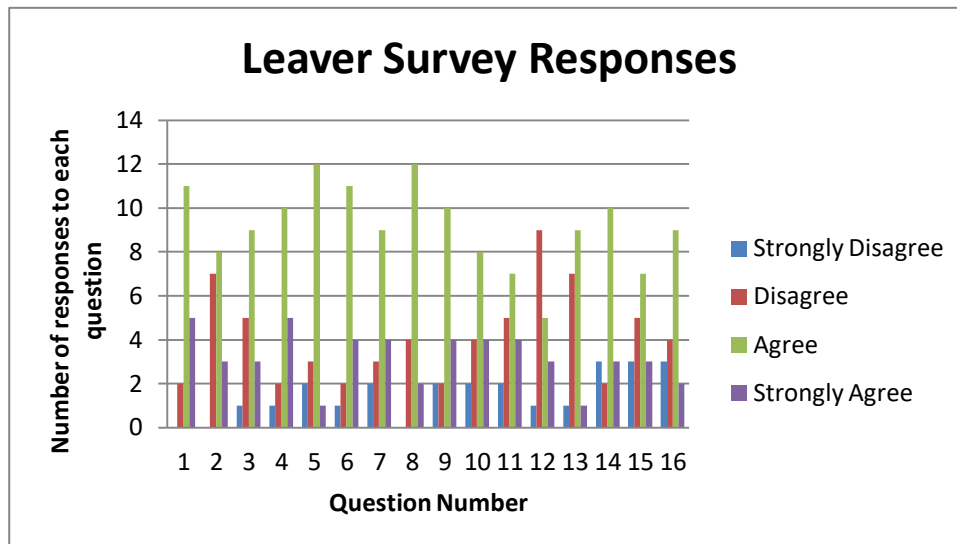
I will analyse the data by using a cross sectional design to uncover patterns, correlations or underlying meanings. I will search for key words and phrases that repeat themselves throughout the data in order to draw my conclusion.

4. Findings/Discussion

The leaver survey was completed by 18 Food and Beverage staff that had left Bluestone between December 2019 and June 2020.

The results from the questions and answers are detailed below:

1. I believe there is a positive culture in Bluestone.
2. Bluestone's objectives made me feel important at work.
3. I believe employees are treated fairly.
4. I received praise and recognition for doing good work.
5. I believe promotion opportunities are applied fairly.
6. I was treated with respect and dignity in the workplace.
7. I received sufficient training to carry out my job effectively.
8. I believe that training opportunities were made available to me.
9. The training I have received positively impacted on my role.
10. There was someone at work that encouraged my development.
11. Considering my role, I felt adequately compensated (pay, benefits, shares etc) for the work I did.
12. I found my work interesting.
13. There were sufficient opportunities for progression.
14. My working hours/rest breaks were satisfactory.
15. I was able to balance work/life commitments.
16. I felt Bluestone communicated important changes well.



The graph shows that the most positive answers were to questions 1, 5, 6 & 8 in relation to how promotion opportunities are applied, training opportunities, culture and treatment of employees. The most negative responses were to questions 2, 12, 13, & with questions 3, 11 & 15 closely following. These questions were in relation to feeling important, finding their work interesting, fair treatment, being compensated well, work-life balance and opportunities to progress as mentioned by Proctor (2020) and Saul (2019). There were no additional comments at the end of the survey which meant that I could not pick out any key words or have more in depth details behind their answers.

Whilst no questions or answers relate to Brexit they do relate to my findings in my secondary research. Employees value these things in a company, and if they aren't all present they may be tempted to leave. This graph also shows inconsistencies as 'fair treatment' was high for both 'agrees' and 'disagree'. This could show different treatment from different line managers as there are different outlets; meaning each outlet may have a different culture within. There is also a clash between questions 5 & 13 which are similar regarding progression. Whilst 5 may indicate that progression opportunities are applied fairly, the opportunities to actually progress may be slim in relation to question 13. This may also be because some employees are being truthful in their answers whilst others aren't as detailed by XpertHR.co.uk (2019). As these results are unclear, I cannot pin point the reasons for the answers.

The themes are that most employees who took this survey were more likely to answer 'agree' or 'disagree' than 'Strongly agree' or 'strongly disagree' which tells me that whilst they generally feel a particular way about a question, they aren't fully committed and convinced that it is fully true. For example, question 2 was about if Bluestones' objectives made them feel important at work, was answered mainly 'agree' by 8 employees and 'disagree' by 7 with only 3 selecting 'strongly agree' and 1 'strongly disagree'. This shows that there is a general feeling of bluestones objectives making them feel valued but it could be better or that isn't to the standard that they

would expect but it's not so bad that they would 'strongly disagree'.

Upon reviewing any leaver surveys for HR, IT and Finance for the same time period, there were no leavers. This could be due to these types of jobs being higher skilled roles where the employees are likely to have undergone extensive training or have specific qualifications. These departments also have more ability to work flexibly as they are office based unlike the Food and Beverage department as pointed out in research by Everett (2020).

5. Conclusions

The aims and objectives of this research was to critically evaluate whether or not Brexit had an effect on staff retention and how to overcome it if this was the case. My conclusion is that whilst Brexit doesn't appear to pose as an issue (yet) for Bluestone, there are factors that do affect staff retention regardless. In my secondary research it appeared that Brexit does have a negative effect on European nationals working in the UK and the best way to get them to remain was through particularly good working conditions, benefits, opportunities, training and flexibility. My research shows that these things matter to people who are not immediately affected by Brexit and would also leave an organisation if some of these factors were missing.

My research also shows that workers from a non hospitality function did not leave in the same time period. This could be due to these roles being higher skilled where people have generally trained or have specific qualifications.

6. Recommendations for change

My recommendations are that Bluestone should focus on the below factors:

1. Culture of organisation

2. Training and progression opportunities
3. Pay and benefits
4. Work-life balance
5. Invest in older workers

1 & 2 will need to be implemented from the Learning and Development team who can utilize training and clear progression opportunities to have a positive impact on culture. Giving training to line managers will be a high priority as these are the people who deal with employees on a day to day basis.

3 will need to be reviewed by the HR and Finance teams. Asking employees to complete a pulse survey on their views and suggestions of pay and benefits will help to decide what the best course of action is.

4 will need to be tackled by HR and line managers. Line managers will have a good understanding of their individual outlets and what flexibility can be given and HR will know how flexible they can be in relation to employment law.

5 will apply to the recruitment team and HR. These teams may be able to put together a scheme to attract older workers into Food and Beverage with the opportunity to gain training, experience and progression opportunities.

The points above were the key findings from my research and showed that whilst Bluestone doesn't appear to have the same Brexit issues that are described in my secondary research, the retention methods should be the same.

Limitations

My limitations were:

- A lack of primary research due to COVID-19
- Non specific survey questions
- Access issues

For these reasons the validity of my research isn't strong but it does point out a correlation between organisational cultures, benefits, flexibility and opportunities in relation to employee retention.

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