

2.0 Economic Factor Analysis

The Cost-of-Living Crisis further known as CoLC has resulted from accelerated and inflation-driven macro and micro economic developments. The impact of which has been felt by individuals and communities, and especially those on low incomes, since the COVID-19 pandemic, thus being a key external factor impacting BNPR and the wider leisure and tourism industry (GOV, 2023a).

These economic factors have exacerbated the need for BNPR to strategically consider financial benefits to its employees, with particular emphasis on salaries and wages while also considering new health and wellbeing challenges and widening existing inequalities amongst the workforce. Crucially these factors have been reviewed to retain and develop talent within the organisation, promote wellbeing to encourage employee engagement and reduce absenteeism within the workforce, thus delivering improved productivity and guest experience (ACAS, 2023).

Wages account for a significant proportion of BNPR annual costs (£15m). This is prevalent within the service prominent sector, where human resources take priority over other resources such as raw materials, machinery, or land. BNPR should consider the resource efficiencies to be made within the business and not necessarily increasing the headcount of employees to allow the organisation to flourish within a competitive market, (Taylor and Perkins, 2021).

Over 70% of the workforce at BNPR are employed within operational, guest-facing roles which significantly impacts the labour costs. when reflecting upon the economic trends of National Minimum Wage (NMW) and National Living Wage (NLW) within the UK. Reviewing and keeping ahead of the NMW will enable BNPR to attract and retain key talent especially during periods of poor performance due to external market factors (O'Byrne and Gressle, 2013).

Higher than expected wage growth in 2021 and 2022 influenced by higher inflation and a tighter labour market has caused forecasters to increase their projections of the NLW (Francis-Devine, 2019) The 2023 rates of NLW are £12.00 in the UK, marking a 10.1% increase. Despite a drop in headline inflation, the context for this year's rates is the ongoing UK cost of living crisis, (Cominetti and Murphy, 2023). Thus, extending the need for BNPR to continue to deliver a competitive pay structure for its employees to retain and grow talent, and reduce the level of employee attrition and them moving to other organisations.

BNPR aspires to provide proportionate wages for meaningful and fulfilling job roles). When workers receive less than the wage they 'deserve', they reduce effort (Rizov, Croucher and Lange, 2016). With over five-hundred guest accommodation units at BNPR this is crucial when considering pay frameworks in conjunction with employee benefits to ensure remuneration packages are proportionate to employee groups that require optimum employee productivity and efficiencies such as Housekeeping, Food & Beverage, and Maintenance roles. Without attracting and retaining these key operational roles BNPR would be ineffective and ultimately could cease to operate.

Another key economic factor to consider within BNPR leisure and tourism sector is 'Hourglass theories.' Taylor and Perkins (2021) refer to occupational structures largely within the UK employment market whereby half of new jobs generated are of 'high skill / high pay' variety, and the other half are deemed as 'low skill / low pay.' They argue that despite manufacturing roles, other administrative roles are being exported to countries overseas where the labour markets are cheaper, and resource is readily available.

This could significantly reduce the local target labour market for BNPR and should consider all aspects of enticing candidates to apply for roles not just pay, such as broader benefits and flexible working options. By offering incentives or benefits to employees for performing well in their roles, most employers can anticipate earning a degree of respect and productivity from their workforce (Jaworski et al, 2018). As a result, candidates feel empowered to bid for higher wages and improved terms and conditions of employment, ultimately increasing employment costs and resources for BNPR or the applicants will be drawn to competitors who can offer higher pay and better benefit packages.

Brexit is an external economic factor that has had and continues to have significant implications on the supply of human resources. Changes in immigration policies and labour market dynamics have been part of the employment challenges impact. Restrictions on the free movement of people between the UK and the EU have implications for the leisure and tourism sector reliant on migrant labour, this is evident in low paid and low skilled workers such as house keepers and food and beverage assistants which is a large proportion of the workforce at BNPR. Migrants from Eastern European member states now find the UK to be less welcoming, however, BNPR could consider sponsorship agreements which will allow skilled workers from overseas into the workplace, but this does have cost and compliance implications which BNPR should consider (Teague and Donaghey, 2020).

The demand for hospitality, leisure and tourism workers is a considerable economic factor when BNPR already recruits from a declining unemployment resource pool within the County of Pembrokeshire. According to the ONS (2023) unemployment rates within Pembrokeshire are declining with approximately 2,000 people aged 16 and over unemployed upto November 2023. This is a rate of 3.6%, compared with the year ending March 2022 when the unemployment rate was 3.8%. Accommodation and food services sector makes up 8.6% of those employed within Pembrokeshire local Authority. Attracting talent is already a challenge for BNPR, applicant

expectations and desires continue to change due to higher bills and living costs, therefore applicants are moving to larger cities where salaries are more competitive.

3.0 Environmental Factor Analysis

One of the key strategic goals of BNPR is to become carbon neutral by 2030. BNPR believe that it is their duty to run their business in a sustainable and responsible manner, and in pursuit of that aim, have developed 'Free Range Future' - a strategy that encompasses a wide range of projects and initiatives intended to benefit employees, their community and ensure their environmental footsteps are as light as possible.

Both consumers and guests buy into ethical and sustainable businesses, without recognising this the ability to attract employees and guests could be adversely affected. BNPR should consider the external factors within the tourism market which can positively impact community resilience and integrate into management strategies. This helps to foster greater trust and comfort among the public and future employee applicants, helping to attract and retain future employees (Sezerel and Christansen, 2022).

Taylor and Perkins (2021) note that organisations are increasingly embracing 'Green HRM' which aims to align the HR strategy of an organisation to improve its environmental outcomes, which derives from the notion that companies should be aware of the environment in which they operate and the impact of their operations.

Sabbir and Taufique (2022) support this notion as they describe green work climate as employee perceptions and interpretations of company policies and practices relating to environmental credentials. They identify that when an employee recognises their company to have positive environmental and sustainable policies and practices, then the injunctive norms might be that the organisation approves of environmentally friendly behaviours as a result. Adapting this approach will attract further applicants, retain talent, drive employee engagement and foster healthy relationships between the employee and BNPR.

BNPR should be cognisant to effectively engage and communicate the organisational environmental strategy widely from the point of engagement. If the company fails to adapt and engage employees on their environmental factors may fail to attract the required skills, experience and retain, develop a diverse workforce leading to their demise. Sriganthan (2019) suggests that three in five (58%) employees are considering resigning from their jobs in the next twelve months because their employer does not share their environmental values.

The People Management (2022) further revealed that two thirds (62 per cent) were actively looking for an employer that shared their own or similar beliefs, while more than two thirds (69 per cent) of the group felt it was important for their employer to demonstrate high ethical practices. Thus, emphasising the need for BNPR to effectively engage with its employees creating a voice for them to

feedback on sustainability strategy driving employee engagement and motivation for the company to succeed in its green aims.

This research evidences the impact of the environmental factors upon HR strategy and the requirement for BNPR to adapt and thread the organisations' ethical priorities and sustainability credentials through an employees' journey and lifecycle. It could be deemed a significant opportunity to create 850 ambassadors (employees) who can showcase and share the market leading sustainability practises. Subauer et al., (2019) supports this notion that while job descriptions may not explicitly designate most workers as responsible for developing sustainability innovations or implementing sustainability activities, employees can indeed make meaningful contributions to corporate sustainability.

Taylor (2018) supports this and say that there is a need to develop environmentally ethical measures into an individual specification BNPR should adopt this and implement more widely into employee recruitment and selection processes, as well as a requirement for well-established disciplinary and conduct policies to provide an overarching framework that reflects a higher level of intolerance towards unethical and unacceptable environmental conduct from the workforce.

The exponential growth and global priority of the environmental factors within the leisure and tourism sector has led the UK government to consider the implementation of environmental legislation imminently. This legislation will have a significant impact on BNPR's actions and HR future strategy. Gov (2023b) have shared, "UK Sustainability Disclosure Standards (SDS) will set out corporate disclosures on the sustainability-related risks and opportunities that companies face."

These will underpin future requirements with UK legislation for organisations to report on opportunities and risks relating to sustainability matters, and those arising from climate change. As set out in figure three the key elements of climate change mandatory reporting requirements will include Governance, Strategy, Risk Management and Metrics and Targets. The human resource measures of the reporting elements will require training, development of board and executive team members to demonstrate competence and affirm the accountability for climate change at the top of the organisation. It is important for BNPR to identify training and development needs, implement tools to measure performance and forecast associated costs and resources required within the HR strategy to satisfy future compliance. Achieving 'compliant' status will also benefit the company's candidate attraction strategy as it will be deemed positive by many applicants.

