Are the strategic decisions and external factors of hospitality businesses engendering the current staffing crisis faced within the industry?

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

Billy Clarke

Introduction

Hamilton, 2023, highlights how within hospitality there is a current crisis in the ability to recruit staff. 94% of hospitality businesses have expressed a difficulty in the recruitment of staff, almost all organisations are currently operating below their human resource requirements. Saker-Clark, 2022, highlights the scale of the issue as reaching a record high with only a continuance of growth, generating more vacancies and further necessitating the need for improvement.

McAllister, 2022b, statistically justify the need of improving the current employment situation within hospitality. Through the resource shortage, the industry is suffering through the loss of £21 billion in trade. The industry is suffering through an unsustainable loss of income. The hospitality industry is a vocation which relies on people, for the basic function and perpetual operation of organisations staff are the singular component which without, operations cease to succeed (Gish, 2022). Through the current absence of employees and people, the industry is failing to operate. The failure to operate justifies the clear need of improvement and investigation into the staffing crisis.

This research holds the purpose of resolving the current gap in research of effective solutions to the staffing crisis. The gap in the research currently proves detrimental to the industry in failing to allow the organisations to reach their operational capacities and potential. Conlon, 2022, highlight how to resolve the issue, simple improvements in pay are no longer sufficient to resolving the crisis. However, within the literature there is the omission in depth, variance and effectiveness in the solutions being suggested.

Research Aim

To investigate factors causing the hospitality staffing crisis, developing new strategies for remedial.

Objectives

Objective 1: To critically review the relevant literature already established on the hospitality industry's staffing crisis and understand the indicated reasons for such issues within the sector.
Objective 2: To critically review relevant literature to establish any major changes in the external environment and the strategic decisions made within the sector with the potential to cause mass-unemployment.
Objective 3: To conduct semi-structured interviews with those employed, formerly employed and external to the hospitality industry to determine the reasoning behind the high vacancy figures for the sector, and the choice the labour force is making to operate within other industries.
Objective 4: To recommend effective new strategies for hospitality businesses to implement to reduce their vacancy figures to resolve the staffing crisis within the sector.

Research Questions

- What role have COVID and Brexit along with other external events, influences and opinions played in contributing to the staffing crisis?
- Is the pay, hours and contracts of the industry the largest contributor to employees leaving?
- Is the quality of management an issue for employees choosing hospitality as their career?
- Are the strategic choices of an organisation in areas such as the treatment of staff, values, beliefs and ways of operating key factors for low staff levels?
- Why isn't the hospitality industry seen as appealing and viable as an industry of choice for employees?

Literature Review

The literature initially established and identified the differing external influence which have caused the staffing crisis. Whether it be through Brexit or Covid, the two external events have played a major role in causing vacancies. Owen, 2021, explains how through the implications of Brexit, 90,000 E.U workers left the industry, essentially, 90,000 vacancies were created. Biggins, 2021, further develops the argument with their investigation into Covid. Highlighting the industry as losing 41% of their workforce as a result of Covid 19. The literature identifies the key role of the external environment in generating vacancies.

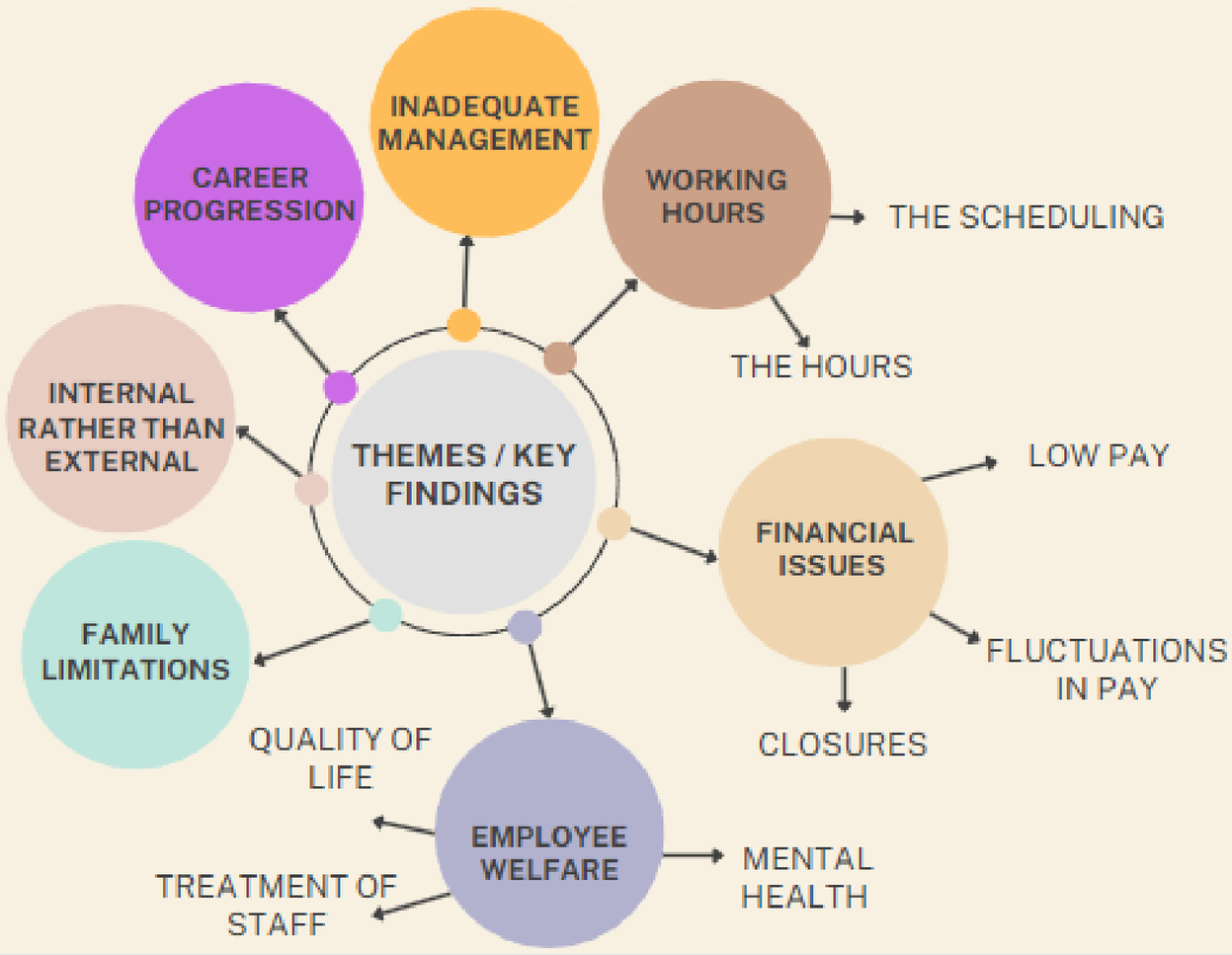
The literature also identifies the key failings of the industry as possessing responsibility to the creation of the current crisis. Conlon, 2022, states "The issues behind the staff shortage are more fundamental than the pandemic or Brexit". The literature review identified the differing internal failings at fault utilising the work of three main theorists. The work of Herzberg et al, 1959, and Maslow, 1943 proved key in the identification of factors dissatisfying employees within hospitality. Differing sources, such as Soeg Jobs, 2023, highlight the failings in the excessive working hours, levels of pay, treatment of employees, employee health and fluctuating hours as corroborated through the findings as causing a poor retention of staff. The different theories proved key in the identification of the areas in which hospitality is failing.

Research Methodology

The formation of the methodology was based on Phair & Warren, 2021, "The Research Onion". The theorists provide a clear framework to create, establish and discover the methodology of a study. Based on the 6 different layers of the onion, the following methodology was created:

1. The research philosophy in respect of the ontological approach for this study takes a subjective form based on the findings studying the behaviour, reasoning and perspectives of people. Derived from the identical principles of accepting the beliefs, motivations and reasoning of individuals as factual information, the epistemological approach for the study details an interpretivism approach.
2. The research approach utilised took an inductive form drawing general conclusions from responses.
3. The study's strategy was based on the grounded theory. Delve & Limpaecher, 2021, explain the grounded theory as generating new theories from the actual findings of a research method rather than working to the parameters of a hypothesis or prior conception.
4. Cameron & Azorín, 2010, defines the utilised monomethod as a singular data type, which in this study equates to independently utilising the qualitative approach.
5. Due to the current presence of the issues, a cross-sectional approach was adopted to understand the current perspectives of individuals.
6. To collect the raw data for the study, 10 semi-structured interviews were completed and transcribed. To transform the raw data into usable findings, thematic analysis was utilised to generate new theories and information through the identification of themes within the data.

Research Findings



Discussion and Conclusion

The differing themes identified all encompass an identification of where hospitality must improve. Each theme identified is an area in which hospitality is currently failing or not performing to the required expectations of the labour market. The failures of hospitality in creating an attractive and viable industry are highlighted through the themes and sub-themes.

Throughout this study's findings, all bar one theme corroborated the work of the theorists and sources. This study identified the likewise findings in the literature regarding the differing internal failings. The established knowledge of the specific failings within the industry contributing to the staffing crisis were confirmed. The commonalities or features of the industry have been identified in both data sets of data as failing to provide the quality of life expected from individuals. The impact or implications of working in hospitality is being found as too great.

The area in which there is a dispute between this study's findings and the established literature is the responsibility assigned to external influences. The literature typically assigned the comprehensive responsibility of the staffing crisis to the externalities impacting hospitality. Whereas this study found the proportion of the responsibility held by the internal faults as much larger. The internal failures, faults or absent features have self-caused and created the staffing crisis. The possession of responsibility lies with the industry itself rather than consigning blame to alternative, external phenomena. Through the identification of the requirement of the industry to improve, along with the areas of improvement, the following recommendations have been generated.

In terms of future research, a larger and more diverse sample group would leave to the identified findings becoming more representative of the industry instead. In terms of validating the findings of the study and identifying the best possible solution, pilot studies would prove effective in gaining an actual understanding of the implications of the suggested strategies. Investigations into alternative industries with low turnover rates could also aid the findings, creating a comparative of an ideal industry.

Recomendations

1. Introduction and raising of awareness of employee unions. Increase the number of employees connected with a union.
2. Directly contracted childcare facilities. Establishing partnerships between hospitality organisations and childcare providers.
3. The adoption of the living wage rather than the minimum wage.
4. The abolishment of zero-hour contracts and introduction of set alternating rotas. Creating two rotating rotas, ensuring employees are not required to work the same days, evenings or weekends yet know their shifts.
5. The requirement of recognised business and management qualifications among managers within the industry. ensuring the knowledge and capabilities of individuals.
6. The introduction of minimum CPD requirements for organisations. Setting a set requirements for organisations to provide at least a set base of training for their employees. This stipulation would be based on a time requirement.

References

Biggins, L. (2021, June 9). Where have all the hospitality staff gone? 41% of hospitality workers have left the sector since covid-19 struck. FE News. Retrieved November 16, 2022, from https://www.fenews.co.uk/skills/where-have-all-the-hospitality-staff-gone-41-of-hospitality-workers-have-left-the-sector-since-covid-19-struck/

Cameron, R., & Azorín, J. (2010). Electronic Journal of Business Research Methods. The Application of Mixed Methods in Organisational Research: A Literature Review, 8(2), 95–105. www.ejbrm.com

Conlon, T. (2022, January 17). Solving the U.K. staffing crisis isn't just about paying more or embracing modern working. Talent Clouds. Retrieved March 29, 2023, from https://www.talentclouds.co.uk/post/solving-staffing-crisis-not-just-about-pay-or-embracing-modern-working

Delve, Ho, L., & Limpaecher, A. (2021, September 17). The Practical Guide to Grounded Theory. Practical Guide to Grounded Theory Research. https://delvetool.com/groundedtheory

Hamilton, J. (2023, January 19). How to get a job in hospitality as 94% of businesses struggle to recruit. The Sun. Retrieved March 29, 2023, from https://www.thesun.co.uk/money/21091994/how-to-get-job-hospitality-industry/#:~:text=HOSPITALITY%20is%20facing%20its%20worst,fast%2Dtrack%20to%20the%20top.

Herzberg, F., Mausner, B., & Synderman, B. B. (1959). The motivation to work. Wiley.

Maslow, A. H. (1943). A theory of human motivation. Psychological Review, 50(4), 370–396. https://doi.org/10.1037/h0054346

Mcallister, J. (2022b). Record staff shortages causing hospitality to lose £21bn in trade. bighospitality.co.uk. Retrieved November 1, 2022, from https://www.bighospitality.co.uk/Article/2022/06/23/record-staff-shortages-causing-hospitality-to-lose-21bn-in-trade '

Owen, T. (2021, August 5). Brexit 'toxicity' has scared EU workers away says tourism chief. The National Wales. Retrieved November 16, 2022, from https://www.thenational.wales/business/19491838.brexit-toxicity-blamed-hospitality-labour-shortage/

Phair, D., & Warren, K. (2021). Saunders' research onion explained (+ examples). Grad Coach. Retrieved January 17, 2023, from https://gradcoach.com/saunders-research-onion/

Saker-Clark, H. (2022, June 14). Hospitality vacancies hit record high as pubs and bars face staff shortages. Evening Standard. Retrieved March 29, 2023, from https://www.standard.co.uk/news/uk/retail-british-retail-consortium-ukhospitality-ons-b1006045.html

Soeg Jobs. (2023, March 27). Pros & Cons of working in the hospitality industry. SOEG Hospitality. Retrieved March 29, 2023, from https://www.soegjobs.com/pros-cons-working-hospitality-industry/