

Staff Shortages and Labor Challenges in the Hotel and Hospitality Sector: Implications and Strategies

►• Module : BMIH6001- Contemporary Themes in the Hotel and Hospitality Sector.

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Introduction & Overview

Staff Shortages and Labor Challenges in the Hotel and Hospitality Sector



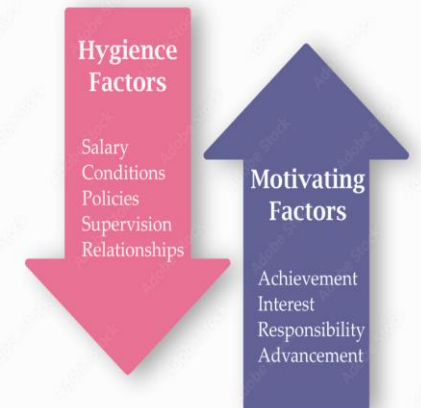
Key Findings from Literature

- Primary Causes of High Turnover:** Low pay, long hours, and limited career development (CIPD, 2024).

- Theoretical Insight:** Herzberg's Two-Factor Theory on motivation—distinguishes between “hygiene factors” like pay and “motivators” like career growth.

- Impact on Industry:** High turnover increases recruitment costs and reduces customer satisfaction due to less experienced staff (Dorta-Afonso et al., 2021).

Herzberg's Two Factor Theory



PESTEL Analysis - Key Factors Influencing Labor Shortages



Political: Immigration restrictions affect labor supply; post-Brexit policies reduced foreign labor options in the UK (Goh and Lee, 2018).

Economic: Economic upturns create wage competition, while downturns lower demand (Grigoryan, n.d).

Social: Hospitality jobs are often seen as low-paying with high stress and limited career growth, reducing appeal to younger generations (Heimerl et al., 2020).

Technological: Automation and AI reduce routine labor needs but can't replace human interaction (Ioannides et al., 2021).

Environmental & Legal: Sustainability initiatives demand skilled staff, while labor laws increase employment costs (Michael and Fotiadis, 2022).



Industry Responses to Labor Shortages

- **Increased Wages:** Offering higher pay and benefits to attract skilled workers (Baum et al., 2020).
 - **Training and Career Development:** Programs that focus on upskilling and career paths to increase retention (Half, 2024).
 - **Technology Integration:** Use of automation, such as self-check-in kiosks and chatbots, to reduce reliance on human labor (Kitija, 2024).
 - **Limitations:** These responses face financial constraints, particularly for smaller businesses, and have limited effectiveness in addressing core issues.
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Evaluation of Current Strategies



Strengths: Competitive wages and training improve employee retention by addressing some motivations and offering career growth.



Limitations: Limited by industry's low profit margins and difficulty in adopting high-cost strategies across the board (Park and Min, 2020).



Tech Constraints: Technology, while helpful in streamlining tasks, cannot replace the essential human touch required in hospitality services.

Future Recommendations

- Flexible Work Options:** Job-sharing, part-time work, and flexible scheduling to broaden the talent pool (Salama et al., 2022).
- HR Technology:** Use of predictive analytics for better staffing projections and AI for recruitment processes to optimize hiring (Wang et al., 2022).
- Policy Collaboration:** Industry-government partnerships to provide training subsidies and visa options, easing labor shortages (Law et al., 2024).
- Goal:** Establish a sustainable, adaptable workforce model that meets the sector's unique demands.



Conclusion

•**Summary:** Labor shortages in hospitality are driven by a combination of high turnover, wage constraints, economic cycles, and social perceptions.

•**Final Takeaway:** Addressing these shortages requires a multi-faceted approach that combines policy changes, industry innovation, and strategic management.

•**Future Vision:** Building a resilient, sustainable workforce model will be essential for the sector's long-term growth and stability.

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