

BMTP5019

Operations Management for Tourism, Leisure and Events

Staffing for Seasonal and Fluctuating Demand



Lesson Objectives

- Understand staffing challenges in hotels with changing demand, like those catering to tourists.
- Explore strategic planning and flexible staffing options used in hospitality.
- Learn how to balance full-time, part-time, temporary, and on-call workers to stay efficient and cost-effective during busy and quiet seasons.



What do you think happens when a hotel is overstaffed or understaffed during peak seasons?

Overstaffed

Inefficiency

Higher Costs

Stress for staff

Understaffed

Poor service

Staff burnout

Reduced guest satisfaction

Managing Workforce Levels for Fluctuating Demand

In industries like tourism and hospitality, **fluctuating demand** varies significantly throughout the year.

- **Seasonal peaks:** Busy seasons (e.g., holidays, summer, major events) require more staff.
- **Off-seasons:** Low demand periods result in excess staffing, leading to inefficiencies.

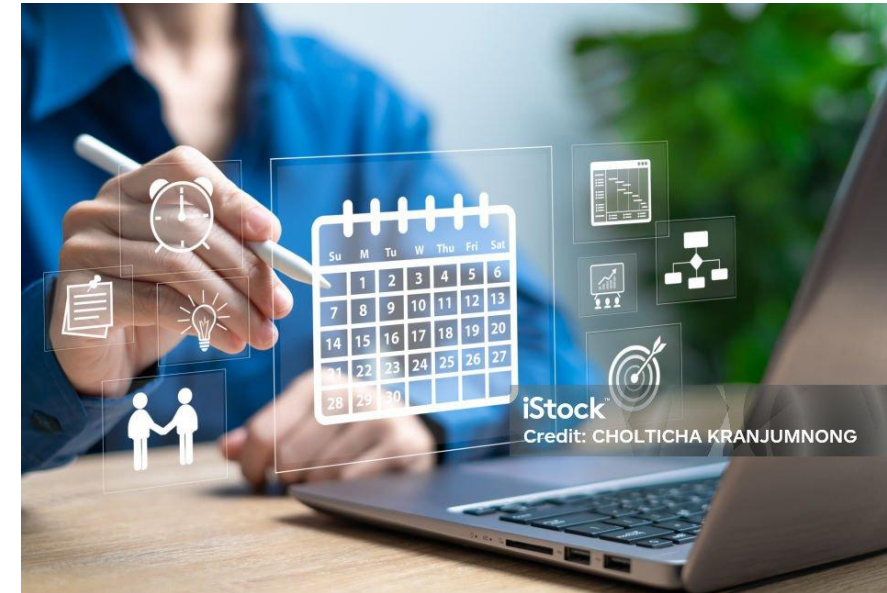
Why is managing this important?

- Hiring too many or too few staff can affect profitability (**cost efficiency**).
- Proper staffing ensures quality service during peak demand, enhancing (**customer experience**).
- Well-managed workforce scheduling prevents overwork or job insecurity (**staff morale**)



Key Considerations for Effective Staffing in Seasonal Industries

1. **Cost Management:** Balancing labour costs with demand is key to profitability. Too many staff during slow periods increases **overhead**, while too few during busy times can affect **service quality**.
2. **Scheduling Flexibility:** Using strategies like **flexible contracts**, **part-time roles**, and **on-call** staff helps adjust staffing based on demand.
3. **Workforce Engagement:** Seasonal staffing should focus on **employee satisfaction** to reduce turnover and keep staff motivated during peak seasons.



What is the Impact of Seasonal Demand?

- **Higher Revenue in Peak Seasons:** More guests and higher prices boost revenue.
- **Staffing Flexibility:** Seasonal demand lets hotels use temporary or part-time staff to save on labour costs.
- **Better Guest Experience in Off-Peak:** Fewer guests allow for more personalised service and a quieter atmosphere.
- **Better Planning:** Seasonal trends help hotels prepare for busy and quiet periods.
- **Targeted Marketing:** Hotels can run campaigns to attract specific guests during different seasons.



What is the Impact of Seasonal Demand?

- **Lower Revenue in Off-Peak Seasons:** Fewer guests and lower prices lead to reduced income.
- **Staffing Issues:** Off-peak seasons may result in overstaffing or underutilised workers.
- **Operational Challenges:** Hotels may struggle to maintain service quality with fewer guests or staff.
- **Inconsistent Occupancy Rates:** Fluctuating demand makes it harder to maintain steady bookings throughout the year.
- **Increased Marketing Costs:** Hotels need to spend more on promotions and ads to attract guests during off-peak times.





Factors Influencing Demand

Public Holidays (e.g. Christmas, Bank Holidays).

Example: Hotels and resorts experience higher bookings around long weekends or festive holidays.

Impact: Increased customer demand, higher prices, and more competitive booking rates.

School Holidays (e.g. Summer and Winter)

Example: Theme parks and family resorts see a surge in bookings during school vacations.

Impact: Family-oriented destinations have higher demand; may require more family-friendly services.



Factors Influencing Demand

Weather Patterns (e.g. warm weather for beaches and cold for ski resorts)

Example: Tropical destinations see peaks in summer, while ski resorts thrive in winter.

Impact: Weather conditions drive seasonal peaks in specific destinations, leading to changes in pricing and staffing needs.



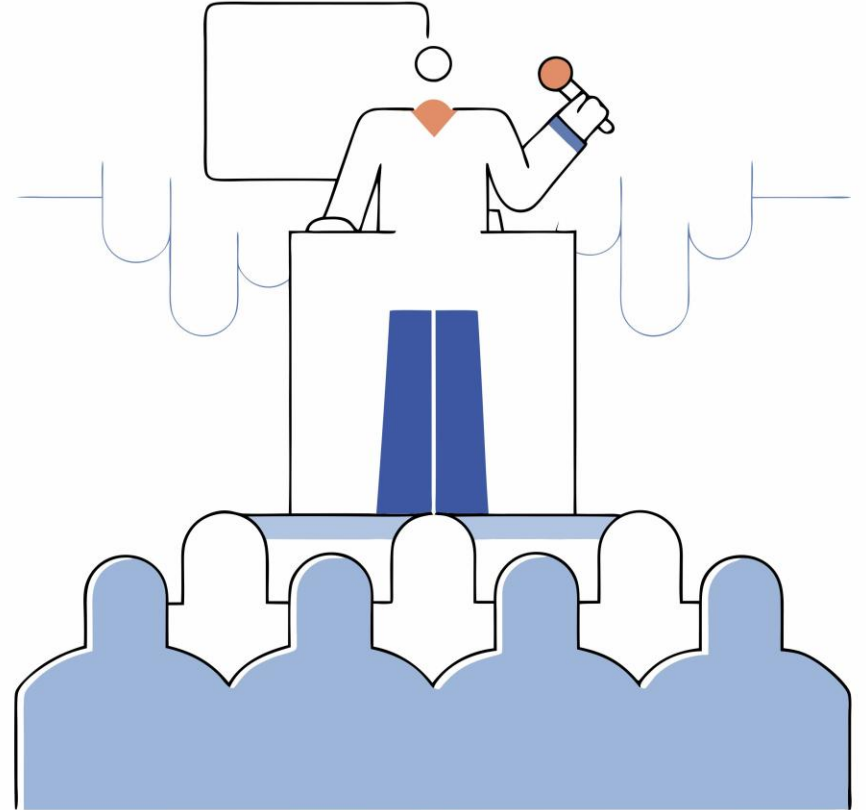
Major Local Events (e.g. festivals, concerts)

Example: Cities like Rio de Janeiro experience massive tourism during Carnival or Las Vegas during major conferences or events.

Impact: Increased demand for accommodations and services, often leading to price hikes and booking challenges.

Challenges of **Overstaffing**

- **Increased Labour Costs:** Paying more staff than needed leads to higher payroll expenses
- **Inefficiency:** Staff may have little to do, which can reduce productivity and affect morale.
- **Wasted Resources:** More staff than necessary can result in unused resources, leading to inefficiency.
- **Guest Experience Impact:** Having too many staff members can create unnecessary distractions and confusion for guests.
- **Training and Management Strain:** More employees require more training and management, increasing administrative work.



Challenges of *Understaffing*

- **Decreased Service Quality:** Fewer staff can lead to slower response times and lower guest satisfaction.
- **Employee Overload:** Existing staff may feel overworked, leading to burnout or mistakes.
- **Higher Turnover:** Overworked staff may leave, leading to increased hiring and training costs.
- **Negative Reviews:** Poor service due to understaffing can result in bad reviews and loss of business.
- **Operational Disruptions:** With not enough staff, certain tasks or areas (like housekeeping or maintenance) may get neglected.



Strategic Workforce Planning

Strategic workforce planning involves aligning the **right number** of employees with the **right skills**, at the **right time** to meet the business goals and adapt to demand fluctuations.

It's about anticipating **future staffing needs** and ensuring the organisation can meet demand efficiently without overstaffing or understaffing.



Strategic Workforce Planning

1. Right Number of Staff:

- Matching staffing levels to expected demand, avoiding overstaffing or understaffing.
- For example, hiring extra staff during peak tourist season and reducing numbers in the off-season.



2. Right Skills:

- Ensuring employees have the necessary skills for their roles, whether technical or customer-focused.
- For example, training staff on new technology or customer service practices to enhance the guest experience.



Strategic Workforce Planning

3. Right Time:

- Scheduling staff to meet peak demands and adjusting during off-peak times.
- For example, scheduling more front desk workers during holiday weekends or busy conventions.

Why is this important?

- Maximises operational efficiency.
- Reduces costs (by avoiding overstaffing) and ensures excellent customer service.
- Enhances employee satisfaction by balancing workload and skill requirements.



Hotel Workforce Challenge

1. Choose Your Scenario:

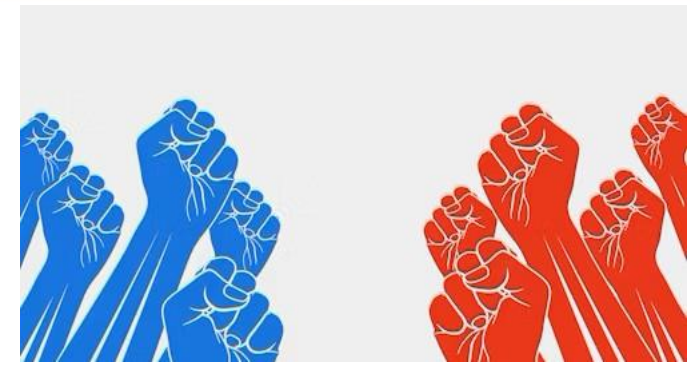
- Work individually, in pairs, or in small groups to select one of the hotel scenarios provided.

2. Answer the Following Questions:

- Once you've selected your scenario, answer the following questions based on your chosen scenario:

Use Scott's example for context and support!!

Types of Workforce Models



1. Full-time Employment – Pros and Cons

Pros

Stability: Full-time employees are loyal, well-trained, and familiar with the business.

Consistency: Reliable staffing, especially during regular business hours.

Employee Engagement: Stronger long-term relationships and better team cohesion.

Cons

Costly in Off-Peak Seasons: Full-time wages may lead to higher payroll costs during low-demand periods.

Underutilisation: Full-time workers may have less work to do during slower months, leading to inefficiency.

Types of Workforce Models

2. Part-time and Temporary Staff

Part-Time Staff:

- Employees who work **fewer hours** with **flexible schedules**, ideal for seasonal demand and busy periods.
- *Example:* A hotel hires part-time housekeepers for weekends or holidays.

Temporary Staff:

- Hired for a **set period**, usually to cover busy seasons or events, helping avoid overstaffing.
- *Example:* A resort hires temporary staff during the summer to manage the guest increase.



Types of Workforce Models

3. On-Call Staff

- Employees **available to work as needed**, called in during busy times or when others are unavailable. They offer flexibility without extra full-time or part-time hires.
- *Example:* A hotel may use on-call front desk clerks for busy weekends or events.

Benefits:

- On-call staff can be **contacted as needed** during peak times or sudden surges in demand.
- Only paying for services when required, without committing to regular schedules.



Types of Workforce Models

4. Outsourcing and Contracting

- Outsourcing and contracting involve **hiring external companies or individuals** to handle specific tasks or services, rather than employing full-time staff.
- This helps **reduce costs** and **improve efficiency** by focusing on core operations while leaving specialised tasks to experts.



What is the difference between the two?

- **Outsourcing:** Hiring third-party companies for tasks like **cleaning or catering**. For example, a hotel outsources housekeeping to a cleaning service.
- **Contracting:** Hiring individuals or companies for specific jobs or timeframes. For example, a resort contracts an event planner for a wedding.

Outsourcing and Contracting



When is this the best option?

- **Cost-Effectiveness:** Outsourcing or contracting saves money by paying only for specific tasks instead of full-time staff.
- **Specialised Skills:** Outsourcing provides access to experts for tasks like event planning or security.
- **Flexibility:** Outsourcing allows quick adjustments to demand without long-term commitments.
- **Focus on Core Operations:** Outsourcing non-essential tasks (like cleaning or catering) lets you focus on main activities and improve efficiency.

How can we manage staffing during peak season?

1. Demand Forecasting:

- Historical data and trends to predict demand.
- Adjust staffing levels ahead of peak season based on results.

2. Optimised Scheduling:

- Use scheduling software to optimise shift patterns.
- Offer flexible shifts and encourage self-scheduling where possible to reduce burnout.

3. Monitor and Adjust Staffing Levels in Real-Time

- Track occupancy levels and adjust staffing dynamically to avoid overstaffing or understaffing.
- Ensure managers can adjust shift assignments quickly based on immediate demand changes.



How can we prevent overtime and burnout?

1. Limit Overtime Hours:

- Establish policies to limit how many overtime hours are allowed per employee.
- Rotate overtime assignments to avoid overburdening any one person.

2. Promote Employee Well-being:

- Provide breaks, rest periods, and encourage time off after peak periods.
- Maintain an open line of communication to check on employee morale and stress levels.

3. Encourage Work-Life Balance:

- Offer flexible hours where possible.
- Recognise hard work during peak season with incentives like bonuses, extra days off, or other benefits to reduce burnout risk.



Cost-Saving Strategies for Off-Peak Season

1. Adjusting Staffing Levels:

- **Reduce Staff Numbers:** Implement a lean staffing model where fewer employees are needed to handle the lower demand.
- **Implement Temporary or Part-Time Workers:** Reduce the number of full-time employees and hire part-time workers for flexibility.
- **Offer Voluntary Time Off:** Allow employees to take unpaid leave to reduce labour costs while maintaining a flexible workforce.



Cost-Saving Strategies for Off-Peak Season

2. Redistributing Tasks Across Departments

- **Cross-Training Employees:** Train staff to handle multiple roles or tasks, making it easier to redistribute work without hiring additional staff.
- **Multitasking:** Reassign responsibilities to employees based on current demand, ensuring maximum productivity without overstaffing.
- **Automation and Technology:** Implement tools that can help with tasks typically handled by staff (e.g., scheduling software, automated customer support).



Cost-Saving Strategies for Off-Peak Season

3. Optimise Scheduling:

- **Flexible Shifts:** Offer part-time or short shifts to align with reduced demand, preventing overstaffing during quiet times.
- **Use Data Analytics:** Analyse past off-peak periods to forecast when minimal staffing is needed and schedule accordingly.

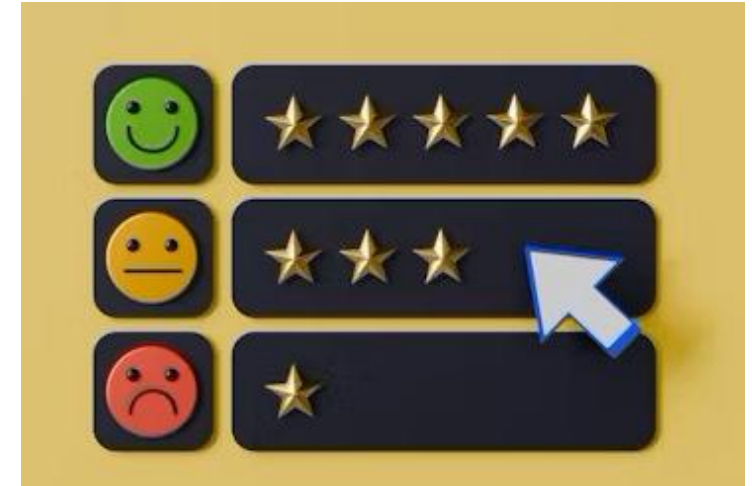


4. Outsourcing Non-Essential Tasks:

- Consider outsourcing non-core tasks (e.g., cleaning, administrative duties) to external agencies during off-peak times, reducing payroll expenses.

What about maintaining service quality during off-peak?

1. Focus on Core Operations: Streamline operations and prioritise key services to ensure essential tasks are covered with fewer staff.



2. Use Technology for Efficiency: Automate or digitise processes to reduce reliance on human labour without compromising quality.

3. Keep Employee Morale High: Offer incentives or flexible work arrangements to ensure employees stay motivated despite reduced hours.

Use of Technology in Workforce Management

Optimising Staffing Schedules

Staffing Allocation:

- Software (Kipsu, 7Shifts etc) can allocate staff based on the **predicted demand**, ensuring the right skill set is in place at the right times (e.g., front desk, housekeeping, restaurant).

Labour Cost Control:

- By aligning schedules with demand forecasts, the software **prevents overstaffing** (leading to unnecessary costs) or **understaffing** (leading to poor service).

Employee Preferences:

- It can take employee shift preferences and availability into account, improving employee satisfaction and retention.



FOUR SEASONS
HOTEL
LONDON AT PARK LANE



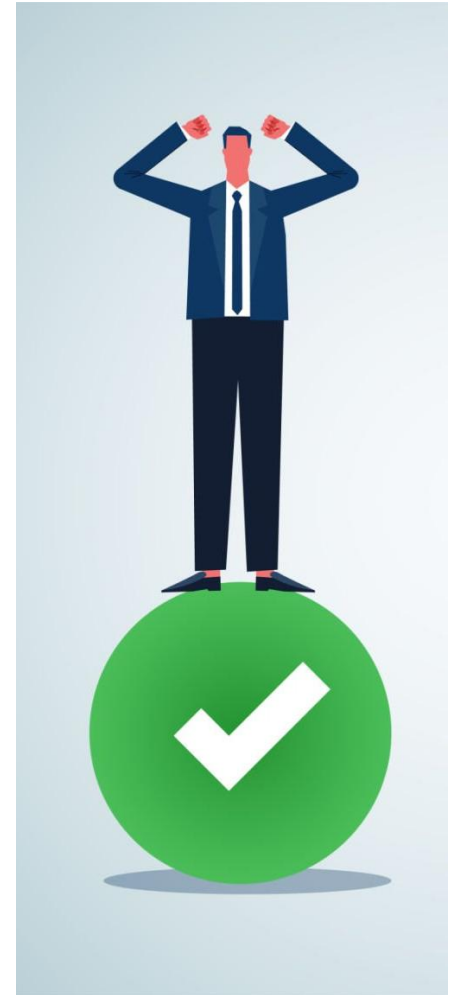
Fourth.

Four Seasons Case Study



What would the benefit for a hotel be?

- **Improved Efficiency:** Automating the scheduling process saves time and reduces errors.
- **Cost Savings:** Optimised staffing reduces labour costs and avoids overstaffing.
- **Better Guest Experience:** By ensuring the right staffing levels, the hotel can deliver timely services, leading to higher guest satisfaction.
- **Compliance Management:** Ensures compliance with labour laws, such as maximum working hours and overtime rules.





Next Week

Performance Management and Employee Engagement

I look forward to seeing you next week.

If you have any questions, please contact me
on Teams or through email

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