

Contemporary Theme: Staff Shortage and Staff Turnover
in the Hospitality Sector

Abstract

The London Marriott Kensington is facing significant challenges related to staff shortages and high turnover rates. The impact of Brexit has led to a reduced workforce and difficulty in attracting new employees. The primary factors contributing to this issue include health concerns, job instability, and a diminished pool of EU workers. To combat these challenges, the hotel is implementing several strategic measures. These include enhanced recruitment efforts, competitive compensation, benefits packages, robust training, development programs, employee engagement initiatives, and flexible working conditions. By addressing the underlying causes of staff shortages and turnover, the London Marriott aims to stabilize its workforce, improve employee satisfaction, and maintain high service standards.

The London Marriott Hotel Kensington is a stylish and contemporary hotel situated in the heart of Kensington, one of London's most prestigious and vibrant neighborhoods. In the context of the hotel and hospitality sector, staff shortage and staff turnover have appeared as critical and prevalent challenges impacting operations and service quality. Contemporary staff shortages in the hospitality industry, driven by post-pandemic labor shifts and increased demand for better working conditions, significantly impact hotels by straining operational efficiency and service quality. Hotels must continuously reassess compensation and benefits, prioritize employee well-being, and adopt technology to mitigate these shortages. London Marriott Kensington, like many establishments in the industry, grapples with these issues due to several underlying factors (Codling et al., 2022).

Importance and Relevance of Staff Shortage and Turnover

Impact on Service Quality:

Staff shortage directly affects the ability of London Marriott Kensington to deliver consistent and high-quality service to guests. With inadequate personnel, there is increased pressure on existing staff, potentially leading to fatigue, reduced morale, and compromised service standards (O'Neill and Davis, 2011).

Operational Efficiency:

A shortage of skilled staff can hamper operational efficiency, affecting tasks such as housekeeping, food preparation, and guest services. This may result in longer wait times, delayed room turnovers, and overall operational challenges (Madanhire and Mbohwa, 2016).

Cost Implications:

Constant staff turnover forces frequent recruitment, training, and onboarding processes, which can be costly and time-consuming for London Marriott Kensington. Moreover, the loss of experienced employees impacts productivity and may require increased investment in employee development programs.

Guest Experience:

Staff turnover can disrupt the continuity of service and guest relationships. Frequent changes in personnel may lead to inconsistencies in service delivery and affect guest satisfaction levels, ultimately impacting the hotel's reputation (Smith, 2018).

Industry Dynamics:

The hospitality industry, including London Marriott Kensington, operates within a competitive landscape where skilled labor is in high demand. Factors such as seasonal variations, demographic shifts, and evolving guest preferences contribute to the ongoing challenge of staffing (Pizam and Shani, 2009).

Employee Well-being and Retention:

Addressing staff shortage and turnover is vital for promoting employee's well-being and retention. Marriott Kensington recognizes the importance of fostering a positive work environment, offering competitive benefits, and implementing retention strategies to attract and retain talent (O'Neill and Davis, 2011).

Staff shortage and turnover are prevalent in the hospitality sector due to several industry-specific dynamics:

High Demand for Skilled Labor: The hospitality industry requires a diverse range of skilled professionals, including chefs, housekeepers, servers, and concierge staff,

meeting this demand amidst a competitive labor market that can be challenging (Marchante, Ortega and Pagán, 2006).

Seasonal Variations: Hotels like London Marriott Kensington experience fluctuations in demand based on seasons and events, requiring flexible staffing arrangements. Managing these variations while maintaining service standards is a continuous challenge.

Workforce Demographics: The hospitality workforce comprises a mix of permanent employees, part-time workers, and seasonal hires. This diversity in employment types can contribute to turnover rates.

Career Mobility and Opportunities: Marriott must balance providing growth opportunities with maintaining a stable workforce.

Therefore, staff shortage and turnover remain a significant challenge for Marriott Kensington and the broader hospitality industry. Addressing these challenges requires proactive strategies, including talent retention initiatives, workforce development programs, and adaptive staffing models to ensure sustained operational excellence and guest satisfaction.

Literature Overview:

Research on Staff Shortage:

Studies indicate that staff shortage is a significant concern in the hospitality sector, including hotels like London Marriott Kensington. According to recent literature, the shortage of skilled workers in key roles such as chefs, housekeepers, and front-of-house staff can lead to increased workload for existing employees, affecting job satisfaction and service quality (Shapoval et al., 2021).

Despite significant economic growth and stabilization since the pandemic, the accommodation industry, which constitutes 20% of the tourism sector, continues to struggle, especially due to labor shortages, according to Philip Mondor, president, and CEO of Tourism HR Canada. This sector is lagging behind the rest of tourism in recovery, with a shrinking pool of available workers. Canada's tourism sector currently has 170,000 job vacancies, and an additional 330,000 workers will be needed for the summer. However, even if 200,000 to 250,000 positions are filled,

there will still be a shortfall of at least 220,000 workers, a gap that persists despite changes in immigration policies and quotas (Hotelier Magazine, 2024).

Over the past two years, the hospitality industry has faced numerous challenges, including a global economic downturn, rising energy costs, increased food prices post-Brexit, and staffing issues. Research from digital market agency Koozai indicates that nearly 40% of hospitality businesses in the UK are struggling to recruit skilled staff (The Caterer, n.d.).

Impacts of Staff Turnover:

Research highlights the negative impacts of staff turnover on organizational performance and guest satisfaction as high turnover rates can disrupt service continuity, increase recruitment costs, and lower employee morale. This can ultimately affect the overall reputation of hotels like London Marriott Kensington.

Employee Retention Strategies:

Literature emphasizes the importance of implementing effective employee retention strategies to mitigate turnover. Studies suggest that offering competitive wages, providing opportunities for career advancement, and fostering a positive work environment are key factors in sustaining talent (Chung et al., 2021).

Real Impacts According to Current Literature:

Service Quality and Guest Experience:

Recent studies demonstrate a direct correlation between staff shortage, turnover, and service quality. Hotels experiencing these challenges may struggle to meet guest expectations, resulting in decreased customer satisfaction and potential negative reviews (VO, Chovancová and Tri, 2019).

Financial Implications:

Literature underscores the financial implications of staff shortage and turnover. Research indicates that recruitment and training costs associated with high turnover rates can significantly impact a hotel's bottom line (Uvet, 2020). This highlights the importance of investing in employee retention strategies to reduce turnover-related expenses (Andrejić, 2019).

Employee Well-being and Job Satisfaction:

The impact of staff shortage and turnover on employee's well-being and job satisfaction shows that overworked employees are more likely to experience burnout and disengagement, leading to decreased productivity and increased absence (Yu and Wu, 2021).

The hospitality industry, however, faces significant challenges, particularly staff shortage. According to a recent report by the Office for National Statistics (www.civil-service-careers.gov.uk, n.d.), the UK hospitality sector had 178,000 job vacancies in early 2023, highlighting the strain on businesses to maintain service quality. Marriott Kensington addresses this issue by investing in robust training programs and employee benefits, ensuring that their team remains motivated and well-equipped to provide exceptional service despite industry-wide shortages.

Competitive Advantage and Market Positioning:

Addressing staff shortage and turnover can provide hotels like Marriott Kensington with a competitive advantage. By fostering a stable and skilled workforce, enhancing service delivery, differentiate themselves in the market and attract repeat guests (Kayande and Stremersch, 2014).

In summary, the literature on staff shortage and turnover in the context of Marriott Kensington and the hospitality industry underscores the multifaceted impacts of these challenges. From service quality and guest experience to financial implications and employee well-being. Addressing staff retention and recruitment is essential for sustaining operational excellence and maintaining a competitive edge in the dynamic hospitality sector (Heimerl et al., 2020).

PESTEL Analysis: Impact of Staff Shortage/Staff Turnover on the Hospitality Industry

Political Factors:

Political factors such as immigration policies and labor regulations affect the availability of skilled hospitality workers. Stringent visa requirements or changes in immigration policies can limit the pool of international talent, which is crucial for filling roles in hotels.

Economic Factors:

Economic fluctuations directly impact staffing in the hospitality industry. During economic downturns, hotels might face budget constraints, leading to reduced hiring and increased turnover as employees seek more stable employment (Kapiki, 2011).

Social Factors:

Social trends, like changing perceptions of hospitality jobs and influence staff retention. Hospitality work is often seen as physically demanding with long hours, impacting the industry's ability to attract and retain talent (Alkahtani, 2015).

Technological Factors:

Technological advancements can mitigate staff shortages but also demand specialized skills, creating a skills gap. For example, the introduction of automated check-in systems reduces front desk staff requirements but requires technical expertise.

Environmental Factors:

Increasing environmental concerns require hotels to adopt sustainable practices, affecting staffing needs. Implementing green initiatives may demand additional skills or training, impacting recruitment and turnover.

Legal Factors:

Compliance with labor laws and regulations affects staffing decisions. Changes in minimum wage laws or labor standards influence payroll costs, impacting turnover rates.

Impact of Staff Shortage/Staff Turnover:

Service Quality: Staff shortages lead to increased workloads, impacting service quality and guest satisfaction. High turnover disrupts continuity, affecting service standards.

Costs and Productivity: Recruiting and training new staff incur costs, impacting profitability. High turnover reduces productivity as new hires take time to reach optimal performance levels. For instance, in the hotel industry, lowering employee turnover can substantially decrease costs and improve labor productivity.

Nevertheless, managing and addressing turnover poses a significant challenge for hotels due to the lack of centralized accountability within or across units. While there are several effective strategies to achieve better turnover rates, the accountability structure within hotels remains relatively fragile (Tracey & Hinkin, 2008).

Employee Morale and Culture: Staff shortages and turnover affect morale and organizational culture negatively. Uncertainty and dissatisfaction contribute to low employee engagement and high absenteeism.

Industry Responses: Examples from London Marriott Kensington training and development Programs:

Response: Marriott invests in training and development programs to enhance employee skills and reduce turnover.

Strengths: Builds loyalty and improves service quality.

Limitations: Costly to implement and may not address root causes like low wages.

Flexible Work Arrangements:

Response: Marriott offers flexible scheduling options to accommodate employee preferences.

Strengths: Improves work-life balance and attracts diverse talent.

Limitations: Operational challenges in scheduling and service continuity (Kossek, Thompson and Lautsch, 2015).

Improved Compensation and Benefits:

Response: Marriott Kensington offers competitive wages and benefits to retain staff.

Strengths: Enhances retention and motivates performance.

Limitations: Adds to operational costs and may not be sustainable in the long term (brain, 2022).

Technology Integration:

Response: Adoption of technology like mobile apps for guest requests and mobile self-check-in reduces reliance on human resources.

Strengths: Increases efficiency and reduces labor needs.

Limitations: Requires upfront investment and may impact personalized guest experience (www.linkedin.com, n.d.).

Critically Reflecting on Responses:

Training and Development Programs: Effective in improving skills and loyalty, but costly and may not resolve underlying issues like compensation.

Flexible Work Arrangements: Enhance employee satisfaction but require careful management to ensure operational effectiveness.

Improved Compensation and Benefits: Effective in retaining staff but can strain budgets and may not address other job-related concerns (Walters and Rodriguez, 2019).

Technology Integration: Improves efficiency but may impact the personalized guest experience and requires ongoing investment and maintenance.

Staff shortage and turnover in the hospitality industry impact service quality, costs, and employee morale. Industry responses such as training programs, flexible work arrangements, improved compensation, and technology integration aim to mitigate these challenges. A holistic approach combining multiple strategies tailored to the specific context of each hotel is crucial for effectively managing staff shortage and turnover in the hospitality sector.

Future Policy and Management Options for Staff Shortage/Staff Turnover

Staff shortage and high turnover rates present significant challenges for hotels like Marriott Kensington in the hospitality sector (Hancock, 2021). Implementing effective policies and management strategies is crucial to mitigate these issues and ensure a stable, skilled workforce. Here are future policy and management options that can be considered:

- **Invest in Sustainable Workforce Development:** Advocate for industry-wide initiatives that prioritize workforce development. Collaborate with educational institutions to design specialized hospitality programs that align with industry needs. Develop robust recruitment policies focused on attracting and retaining

talent, this includes targeted recruitment campaigns (Raub & Martin-Rios, 2019).

- **Management Action:** Implement structured career paths and continuous learning programs within hotels. Offer certifications and opportunities for career advancement to improve employee retention. Offer competitive salaries, performance-based incentives, and attractive benefits such as healthcare coverage, retirement plans, and employee discounts to attract and retain skilled employees (Preko and Anyigba, 2022).
- **Enhance Employee Well-being and Work-Life Balance:** Encourage industry-wide adoption of flexible work arrangements and employee wellness programs. Provide opportunities for career advancement, cross-training, and certifications to empower employees and increase retention rates (Kelly et al., 2021).
- **Management Action:** Provide comprehensive employee benefit packages, including health and wellness support. Implement flexible scheduling and remote work options to accommodate diverse employee needs. Foster a supportive and inclusive work environment that promotes employee well-being and job satisfaction. Implement flexible work arrangements, recognize employee achievements, and prioritize work-life balance. Regularly review and adjust salary structures to remain competitive. Implement mentorship programs, leadership development initiatives, and cross-functional experiences to nurture future leaders within the organization (Gray, 2023).
- **Address Compensation Disparities and Benefits:** Advocate for fair compensation standards and benefits across the industry. Implement employee engagement initiatives to enhance morale and foster a sense of belonging. Encourage open communication, conduct regular feedback sessions, and organize team-building activities to strengthen relationships and improve employee retention.
- **Harness Technology for Efficiency and Engagement:** Promote the use of technology to streamline operations and improve employee engagement. Leverage data analytics to assess workforce trends, identify turnover patterns, and proactively address retention challenges. Use employee feedback

surveys, exit interviews, and performance metrics to inform strategic decisions and tailor retention strategies accordingly (Gangwar and Reddy, 2023).

- **Foster Inclusive and Diverse Workplace Cultures:** Advocate for diversity and inclusion initiatives within the industry. Implement regular monitoring and evaluation processes to assess the effectiveness of retention strategies. Monitor turnover rates, employee satisfaction scores, and recruitment metrics to identify areas for improvement and adjust policies accordingly.
- **Collaborate on Industry-Specific Labor Policies:** Collaborate with policymakers to address labor regulations that impact staffing. Foster transparent communication between management and employees to build trust and transparency. Encourage open dialogue, address concerns proactively, and demonstrate strong leadership to inspire confidence and commitment among the workforces (Bendell, Miller and Wortmann, 2011).

Future policies involve enhancing recruitment and compensation, offering flexible work arrangements, and prioritizing employee well-being through comprehensive wellness programs. Investments in technology, integrating sustainability and CSR practices are crucial. Lessons from Human Resource Management highlight the importance of competitive compensation and supportive work environments, while organizational behavior emphasizes positive workplace culture. Operations management underscores the role of technology in improving efficiency, strategic management and finance stress, aligning policies with business strategy and budget constraints. These actions can improve retention and operational efficiency, though they may cause initial costs and require careful change management.

These future recommendations aim to not only mitigate the impacts of staff shortage and turnover but also position the industry as an attractive career choice for prospective employees. By prioritizing the well-being and professional development of its workforce, the hotel and hospitality sector can enhance operational efficiency, elevate service standards, and ultimately deliver exceptional guest experiences.

Contemporary, in the context of addressing staff shortages in the hospitality industry, refers to adopting modern, forward-thinking strategies that reflect the current labor market dynamics, technological advancements, and evolving employee expectations. At Marriott Kensington, implementing contemporary policies such as

competitive compensation, flexible work arrangements, employee wellness programs, and technological integration significantly impacts both the property and the broader hospitality sector. These strategies attract and retain skilled workers, enhance operational efficiency, and improve service quality, leading to higher guest satisfaction and loyalty. Additionally, fostering an inclusive work environment and integrating sustainability and CSR practices strengthen the hotel's reputation as a desirable employer and socially responsible business. This comprehensive approach ensures Marriott Kensington remains competitive and resilient in a rapidly changing industry landscape.

Conclusion

Addressing staff shortage and turnover in the hotel and hospitality industry requires a multifaceted approach involving policy changes and strategic management actions. To address staff shortages and turnover, it is crucial to invest in workforce development by collaborating with educational institutions to create programs tailored to industry needs and offering structured career paths within hotels. Prioritizing employee well-being through flexible work arrangements, wellness programs, and attractive benefits can significantly enhance employee satisfaction and retention. Compensation disparities by regularly reviewing salary structures and offering competitive benefits, this ensures the attraction and retention of skilled employees. Leveraging technology to streamline operations and improve employee engagement is also essential. Fostering inclusive cultures by promoting diversity, inclusion, and cultural competency helps create positive workplace environments. Additionally, advocating for supportive labor policies through collaboration with policymakers ensures reasonable working hours and fair employment practices. Finally, promoting employee engagement through feedback mechanisms and recognition programs praises employee contributions and boosts morale.

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