

Staff Shortages, and Labor Challenges in the Hotel and Hospitality Sector.

Module: Contemporary Themes in the Hotel and Hospitality Sector.

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Overview

- Workforce shortages, worsened by post-COVID-19 / Brexit impact
- Low wages make industry less attractive, affecting staffing levels and service quality
- Sector recovery requires rethinking:
 - Wages
 - Working conditions
 - Strategies required to attract and retain skilled talent



Wage Competition and Staff Shortages in the Hospitality Sector.

Significant workforce challenges

Staff shortages due to **wage competition** with other industries

Lower wages make it difficult to **attract / retain** skilled workers

High turnover and **unfilled roles** in frontline and management

Wage disparity leads potential employees to higher-paying sectors

Stable workforce crucial for **high-quality service** and **business sustainability**

The Relationship Between Wages and Employee Retention

Wages impact employee retention in hospitality

Competitive pay attracts talent and reduces turnover

Fair wages increase job satisfaction and lower turnover

Post-COVID-19, workers seek **job security** and **stable income**

Hotels are **revising pay** to keep staff

Impact of Low Wages on Service Quality

Low wages affect **employee morale** and motivation

Underpaid staff feel undervalued, lowering **service quality**

Poor morale leads to **lower guest satisfaction**

Higher employee satisfaction improves **customer satisfaction**

Investing in **fair wages** and **workforce management** benefits both staff and guests

Strategies Addressing Wage Competition:



Improve pay and job satisfaction to tackle wage competition



Performance-based pay motivates staff and promotes excellence



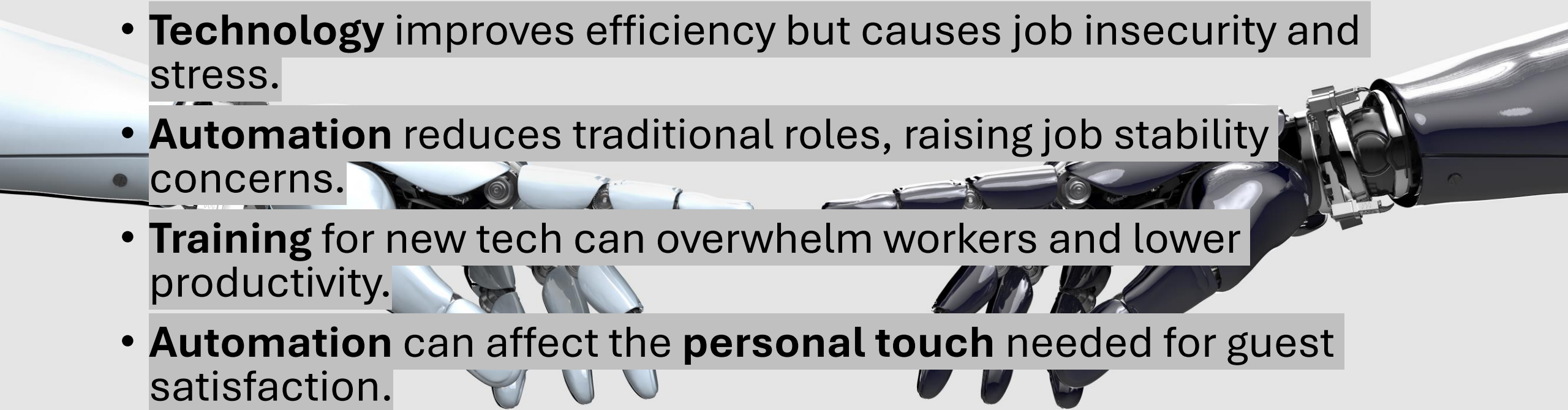
Non-monetary benefits like career development, flexibility, and recognition boost workforce stability



Partnering with educational institutions to provide training enhances skills and engagement

The Role of Technology as a Challenge to Workforce Management

- **Technology** improves efficiency but causes job insecurity and stress.
- **Automation** reduces traditional roles, raising job stability concerns.
- **Training** for new tech can overwhelm workers and lower productivity.
- **Automation** can affect the **personal touch** needed for guest satisfaction.
- A **balance** between tech and **employee support** is key to maintaining service quality and morale.



PESTEL Analysis

Political: Government policies (wages, immigration) impact retention and staffing stability.

Economic: Low wages cause high turnover; economic conditions affect wages and profitability.

Social: Younger workers seek job satisfaction and work-life balance; COVID-19 increases health concerns.

Technological: Automation improves efficiency but risks job insecurity; requires ongoing training.

Environmental: Sustainability initiatives can increase staff engagement but require new training.

Legal: Compliance with labour laws ensures stability, reduces turnover, and fosters positive relations.

Industry Responses and Recommendations:

Competitive wages and non-monetary benefits

Performance-based pay, but not feasible for all

Training and support for tech adoption

Focus on **well-being, training, and a supportive culture**

Adapting to changing workforce needs for long-term growth

Future Policy and Management Options



Competitive Wages: Offer attractive pay / benefits.



Employee Engagement: Promote recognition and career development.



Technology Use: Automate tasks and train staff effectively.



Targeted Recruitment: Address skill gaps and partner with educational institutions.



Collaboration: Advocate for better workforce policies and working conditions.



This approach ensures a sustainable workforce and long-term success.

The background of the slide features a large puzzle composed of many interlocking pieces. Each piece contains a stylized icon of a person in a business suit. One piece, located in the center-right, is a vibrant blue color, while all the other pieces are a light, pale blue. A human hand is visible in the lower right corner, with the index finger and thumb carefully positioning the blue piece into the puzzle. The overall image conveys a sense of building, fitting together, or completing a larger picture, which metaphorically represents the various factors discussed in the key takeaways.

Key Takeaways:

- **Staff shortages** and **high turnover** due to low wages.
- **Competitive compensation** is key for retention.
- **Technology** should improve efficiency without affecting job security or guest experience.
- **PESTEL analysis** shows the impact of external factors on labor.
- Focus on **employee engagement, benefits, and targeted recruitment** for long-term success.

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