Hospitality Industry Skills

The 'perfect storm' of rising costs, recruitment difficulties and changing employee attitudes... oh and Brexit!

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Topic

SMEs face increasing challenges and barriers when it comes to industry skills. Talk of long hours, low pay and seasonality is off-putting as a career choice and leads to a dwindling pool of able and willing recruits to work in the hospitality industry.

Session overview

- ## Where are we now?

  Some insights and data

- ## What can we do?

  Discussion and ideas

Where are we now?

- Sector employment rose from 1.8m in 2011 to 2.1m in 2016

  (Annual Business Survey, 2015)

- Predicted to need a further 1.3m by 2024

- 1m of those to replace existing staff (250,000 managers, 11,000 chefs)

  - Labour shortage and skills shortage

    (Employer Skills Survey, 2015)

Where are we now?

- Unemployment fell
  8.1% in 2011 to 4.8% in 2017
  - 11.5% hospitality employees on zero hours contracts

  (Altman, 2015)

- Rising wage costs
  £7 in 2015 to £7.50 in 2017
  Plus holiday entitlement
  Plus pension entitlement

  (Annual Survey of Hours and Earnings, 2015)

Where are we now?

- By 2020, 30% of UK workforce 50+

- 48% of sector workforce <29

   (18% for UK economy as a whole)

- 16% full-time students

- Traditional hospitality operative tends to be <30

- Traditional hospitality management tends to be 35-44

(Annual Business Survey, 2015)

Where are we now?

- Changing demographics (by 2021)

50-59	increase	by 25% (+3.7m)
45-49	increase	by 13%
40-44	increase	by 13%
34-39	increase	by 12%
30-34	increase	by 22%
25-30	decrease	by 16%
20-24	decrease	by 10% (-700,000)
15-19	decrease	by 6%

(UK Census, 2011)

Where are we now?

- Hospitality labour turnover 75%

  Average UK turnover 15%

  (Employee Turnover & Engagement, 2015)

- Average recruitment cost £750

- 26% of new recruits left within 12 weeks

- 18% of staff lack necessary skills promoted beyond capability / too quickly - leadership, respect, communication, soft skills, interpersonal skills

  (Employer Skill Survey, 2015)

Where are we now?

- Brexit

25% of hospitality workforce is non-UK

12% from EU

13% from non-EU

(People 1st, 2017)

Where are we now?

- 73% of HR leaders see changing values in employees

The millennial generation's expectations of work is very different to previous generations

Retention is a business issue not an HR issue

- business strategy little synergy to HR strategy
- cost reduction vs improved productivity

Millennials

- Tech savvy
- 24 / 7 and immediacy
- fair and transparent
- social life / life style
- less formal
- short term goals

- anxiety
- need to know how progressing

Where are we now?

- Colleges and universities

  - Craft based courses
  - Apprenticeships
  - Higher Apprenticeships
  - Degrees
  - Postgraduate degrees
  - MBA
  - DBA

Holly Dixon
Human Resources Manager
@ London EDITION

2011 FLEMINGS MAYFAIR

2013 Marriott

Rooms Graduate

2013 Young Guns Winner

2014 Human Resources Coordinator

2016 Human Resources Officer

2016 HR Team of the Year

2017 Human Resources Manager

2017 Winner

"A UNIQUE BRAND OF COOL"
LONDON SUNDAY TIMES

EDITION®

Question...

So what needs to happen?

Small groups

3 ideas / innovations

Consider...

Insanity is thinking that continuing to do the same thing will get better results!

(Attributed to Albert Einstein)

Question...

How can we demonstrate a better perception of the industry?

How can we get people to view hospitality as a career not just a part-time job?

How do we manage talent better?

Strategy Map

Vision	Our vision:						
Values	Our values:						
Brand	To our customers: To our employees: To our managers:						

Success Factors	S1				S4		
	S2				S5		
	S3				S6		

Aspiration	Theme:		Theme:		Theme:		Theme:
	A1		A2		A3		A4
		Delivered by;		Delivered by;		Delivered by;		Delivered by;

Enablers							
	E1.1		E2.1		E3.1		E4.1
	E1.2		E2.		E3.2		E4.2
	E1.3		E2.3		E3.3		E4.3
	E1.4		E2.4		E3.4		E4.4
	E1.5		E2.5		E3.5		E4.5

(Kaplan and Norton, 2004)

People 1st

Architects

HR team is working to redesign the way the business looks

- HR is typically externally focused, such as working to increase customer experience and retention
- The people strategy is visible and is a central plank of the business strategy
- There is a strong link to the external brand

Interior Designers

HR team is working to improve people's performance

- HR is internally focused on increasing staff performance
- The people strategy is clearly aligned with the strategy, but often supporting the central strategy, rather than being integral to it
- There is a strong link to the external brand

Builders

HR team are building or repairing infrastructure

- HR team is a support function underpinning the business strategy
- It is largely solving problems or keeping things moving
- The people strategy is not visible outside of the HR team
- Weak link to external brand

Contented Cow Partners

Retain the people you've got

- ## Re-recruit your best staff
  Who are the best 3 staff in each department

- ## Re-focus your training
  Core skills for everyone, GM down

- ## Develop leadership skills
  People quit their manager

- ## Reward meaningful performance
  Bespoke to departments, not one size fits all

- ## Undercover boss
  Senior managers work alongside staff

Contented Cow Partners

Attract the best

- Judicious and zealous recruitment

  Cultural fit is key!

- Never stop recruiting

  Head hunt the best

- Reward effective recruitment

  Bonus for managers that recruit well

- Develop your employment brand

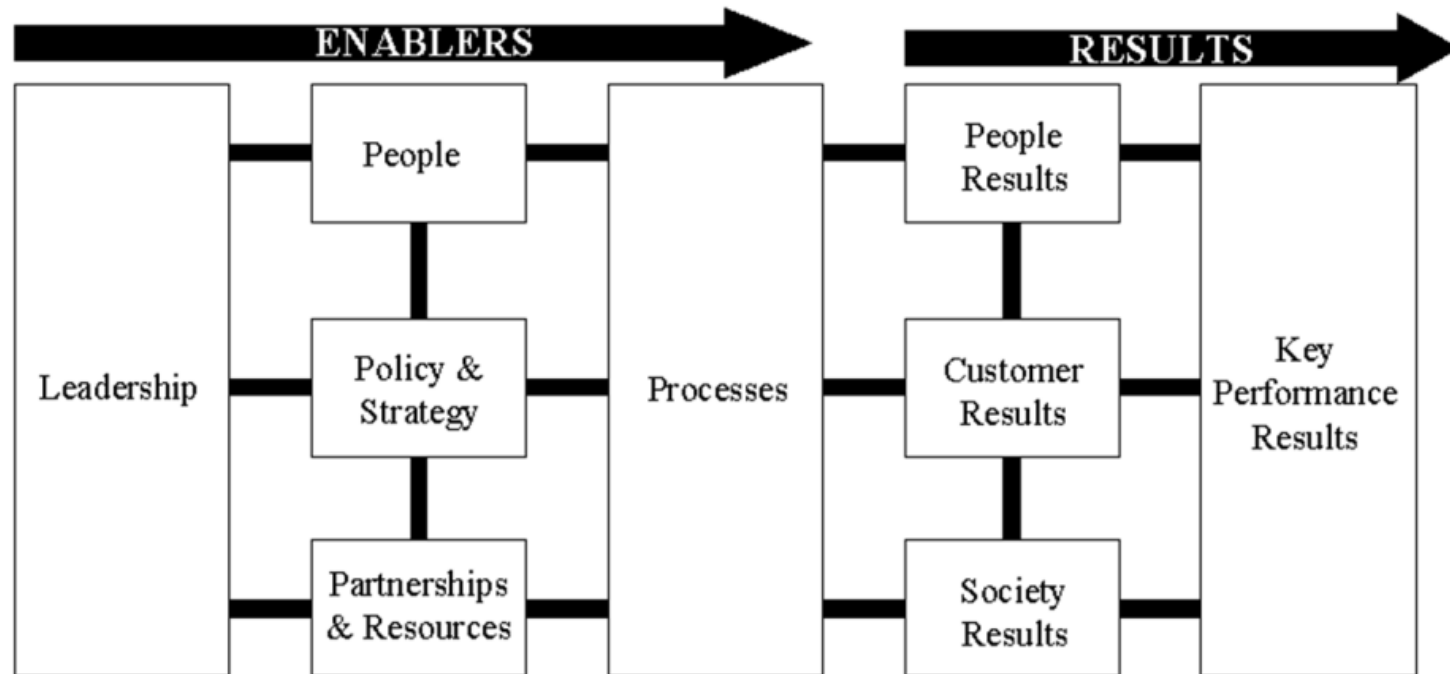 be the business people want to work for

Other areas to consider

- Working practices

- Technology

- Job design

- Multi-task employees

- Inclusive working practices

- Mentoring

- Health and wellbeing

- Partnering Colleges and Universities

Excellence Framework
European Framework for Quality Management (EFQM)

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