

HOTREC's position paper

How to attract and retain the workforce in the hospitality sector

January 2020



I The importance of the hospitality sector to the EU economy

HOTREC is the umbrella Association of hotels, restaurants, bars and cafés in Europe, which brings together **45 national associations** in **33 European countries** and is the voice of the hospitality industry in Europe. The industry contributes with 5% of the EU GDP to the EU economy and is composed of 2 million enterprises, 90% of which are micro-sized (i.e. employing less than 10 people).



The European hospitality sector, together with the other tourism industries, is the 3rd largest socio-economic activity in Europe. Indeed, the hospitality industry alone created over 2 million new jobs between 2013 and 2017 taking its workforce from 10,3 million employees to almost 12,5 million. In addition, 30,2% of the workers in the sector are relatively unskilled, compared to 17,7% in the overall economy, meaning that the sector provides jobs to a broad range of profiles. Moreover, 20,2% of the employees are aged under 25 years compared to 8,2% in the overall economy, therefore, fighting youth unemployment. The sector also promotes gender balance: while in the overall economy 46% of people employed are women, in the sector the figure rises to 54,1%. The hospitality sector is, consequently, an **entry door to the labour market** and a **facilitator in terms of social inclusion**.



A pillar of the European economy

5%
of EU GDP

&

3rd

largest socio-economic activity in Europe

Major job creator

increase in workforce
from 10.3m to

12.5m

workers



2 million
new jobs created in 4 yr

Fights youth unemployment...

20,2% of employees
aged under 25 years
(compared to the overall economy — 8,2%)



...and promotes gender balance!

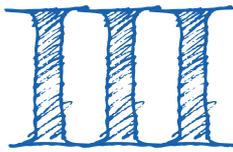
54,1% of people
employed in the sector are women
(compared to the overall economy — 46%)

II The challenges

Despite its recognised role in job creation, hotels, restaurants, bars and cafés face challenges in attracting and retaining employees in their companies. The reasons relate with the following factors:

- Despite the high level of unemployment in Europe, the hospitality sector is facing a huge **shortage of skills** (e.g. digital, interpersonal skills, languages, cooking abilities). This trend is increasing, due to inter alia technological changes (e.g. companies need to respond to customer's needs and be more visible online) and / or societal changes (e.g. customers' new demands in the food services). In fact, while the average job vacancy rate is 2,2% in the EU in 2018, it reaches 5,1% in Belgium or 4,8% in Austria in the hospitality sector;
- As 90% of the companies are **micro-enterprises** (employing less than 10 people), it can be a challenge to offer career progression and high salaries to employees, taking into account that the profit margins of the companies are low. It is also to note that compensations and benefits should be proportional to the level of qualifications of the employees, but that more than 30% of the workforce is relatively unskilled;
- **Working conditions** in the hospitality sector shall comply with client's demands, meaning that the sector shall be open 24 hours a day, all year long (including bank holidays and weekends). These means that employees will probably need to develop some of their tasks during unusual working hours. Nevertheless, this is considered as an advantage by some (e.g. students) who are able to conciliate work and other activities (e.g. studies);
- Despite the fact of having created 2 million new jobs between 2013 and 2017 taking its workforce from 10,3 million employees to almost 12,5 million and of continuing creating tens of thousands of jobs every year, the hospitality sector needs to deal with a workforce who is sensitive to the **perceived lack of attractiveness** of the sector.





HOTREC's recommendations

In order to address the challenges, HOTREC proposes the following recommendations to the representatives of the sector and its companies':

Promoting the image of the sector:

- Highlight the economic importance that the hospitality sector brings to the EU economy, showing that the sector contributes to the creation of jobs and growth in the EU, promotes social inclusion, gender equality, that it provides an opportunity to young people to enter the job market for the first time in their lives and that provides possibilities for employees to develop a career in the sector;
- Emphasise the positive aspects that correspond to a job in the sector, namely the international experience; the development of interpersonal skills; the feeling of being part of a team and working for a common cause (rendering the client with the best quality experience he/she has experimented);
- Public authorities should make funding available in view of establishing a strong partnership with the tourism sector in order to jointly promote the image of the sector towards existing and potential new employees.



Developing apprenticeship schemes:

- HOTREC encourages the development of apprenticeships at national level. The features of compulsory learning and/or working in a company, in combination or not with learning at an education and training provider, and the contractual link between the learner and the company should provide the apprentice with skills ready to be used at company level;
- HOTREC also recommends the use at national level of the criteria introduced by the Council Recommendation on "European Quality and Effective Apprenticeship schemes" ([6779/18](#)).

Direct contact with training providers, schools, professional colleges and universities:

- Businesses should be in direct contact with education and training providers in order for the courses to be designed in a way that responds to the companies' skills needs;
- Education and training systems need to be adapted to the new technological changes and society demands (e.g. changes in curricula and qualifications might be required).

Create conditions for employees to develop a career in the sector and be happy at the working place:

- Coaching on career paths to show how salaries can improve even in traditionally low paying sectors as responsibilities increase, through the years of experience and as one climbs up within organisations.

Deploy the European Hospitality Skills Passport at national level:

- The Passport enables jobseekers to create their personal skills passport by selecting the competences they have from a list of skills (e.g. cooking skills, welcoming skills);
- By selecting the skills they are looking for, employers will see a filtered selection of matching skills passports, providing a diverse selection of candidates who match the job description as closely as possible.

Explain the EU institutions and national governments the need to reach better regulation:

- Cut red tape;
- Subsidiarity to prevail;
- New EU legislation to focus on cross-border issues;
- National legislation build in line with the particularities of the sector (e.g. sector active 24 hrs day / all year long).

Apply for EU and national funding:

Massive trainings should be provided via national or EU funding to train and up-skill employees in the sector.

Enhance legal migration:

- Attract medium skilled workers to the EU (e.g. digital, cooking, languages, interpersonal skills);
- Ensure the enforcement of the Directives and improve their effectiveness;
- Facilitation of information sharing and cooperation between Member States.

Enhance social dialogue:

- Social partners to help change societies' opinion and campaign to promote "life-long learning" and shared interests of employers and employees;
- Promote social dialogue in countries where the structure is not yet in place at national level.

HOTREC's top 5 recommendations

- 1 Promoting the image of the sector
- 2 Developing apprenticeship schemes
- 3 Companies in direct contact with training providers!
- 4 Apply for EU and national funding
- 5 Enhance legal migration

IV Examples of best practices developed at national level

The examples of best practices highlighted below represent concrete actions that can be taken by National Associations, hotels, restaurants, cafés, in order to attract and retain the workforce at the hospitality sector.



“Attracting and nurturing talent” by the Irish Hotel Federation (IHF) - Ireland

European initiatives:

Example: EU funded project to build a productive relationship between education and industry.

National initiatives:

Career promotion;
Employment connections to close the skills gap and explore alternatives where skills shortfalls persist;
Improve curricular alignment with industry's needs;
Mapping existing provisions – to identify gaps, opportunities and improve awareness of skills provisions.

Enterprise initiatives:

Examples: employer brand reputation; use of ambassadors; employee retention; flexible working conditions; communication; training; reward and recognition; employee wellness: E-learning; managing performance.



“Attractiveness - some basic principles” by UMIH - France

Promote the image of the sector:

Examples: use social network; information for companies about business and jobs; information for teachers, parents, counsellors; information to future employees, business Ambassadors; deployment of communication campaigns.

Develop employment polices:

Examples: find a service for professionals; find advisors who know the profession and the job; better define the offer; better characterise the demand; do not leave an offer unanswered.

Organise trainings:

Examples: describe the quality criteria of the training; favour work-study training modalities; value and certify training experience.

Develop an enterprise HR policy:

Examples: offer self-service HR tools; develop access to HR diagnosis and support; use an employer brand; capitalize on HR practices.

Monitor employment conditions.



“Future hospitality - initiative against the shortage of skilled labour” by HotellerieSuisse - Switzerland

- Gather facts and figures to better framework conditions and segmented marketing;
- Development of instruments to foster exchange and knowledge (e.g.: meetings to discuss perceived challenges; chats; digital platform coaching);
- Develop smart programmes for the quality of education and to attract the new workforce.



“The best plan to attract and recruit employees” by the Malta Hotels & Restaurants Association (MHRA) - Malta

- **Measuring:** update industry needs and skills requirements; improve statistics and trainings.
- **Plan to attract:** improve working conditions; reform employment regulations; promote the positive benefits of jobs; promote travel possibilities amongst the young.
- **Plan to develop:** design programmes for part-time workers; train middle management; learn foreign languages; work with educational institutions; investment in HR; continuous professional development.
- **Plan to retain:** eradicate seasonality; facilitate, promote and award long-serving employees; promote employers with successful staff retention.
- **Act:** engage industry employers to cooperate with employment agencies to address concerns; facilitate cross-border activities; monitor labour market conditions; update strategies regularly.



“Best practices to recruit, engage and develop skills in the hospitality sector” by VISITA - Sweden

- **Development of a Sector Code:**
 - Main parties: VISITA + HRF (trade-union) + Visitor’s Research and Development Fund (BFUF)
 - Objective: develop tools to be used by companies in the following areas of employment:
 - Recruiting – how to interview; description of wanted profiles;
 - On-boarding: providing the right information to employees;
 - Developing: how to give feedback on performance appraisal;
 - Engage: how to raise the engagement of employees; how to lead with success;
 - Termination: what to do: testimonials and other documents.
 - Templates and check-lists provided to help member companies engage employees;
 - Targeting small, medium and micro enterprises.
- **Leadership academy:**
 - Main aim: skills development + How to build a career in the sector;
 - Main topics: feedback; communication skills; how to create successful teams; trust;
 - The workshop is organised once a year (2 day duration).
- **Mentoring Programme:**
 - Dedicated to the managers in the hospitality sector;
 - Focus on development of leadership skills; personal development and work-life balance;
 - Programme runs once a year. It consists of 12 one-to-one mentor sessions and 8 workshop sessions.



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