

Easing hotels' labor pains



The labor shortage in hospitality challenges hotels to find ways of operating more efficiently without compromising the guest experience

Foreword



Daniela Lopez

Global Senior Director, Hospitality
PressReader



With every crisis,
however, comes
opportunity”

The COVID-19 pandemic has had a profound impact on just about every aspect of our lives, from the way we order meals to how we interact with our fellow humans. For many people working in hospitality, the early COVID era brought changes to their employment situation. When travel restrictions brought tourism to a virtual standstill, hospitality operators were forced to lay off large portions of their staff, while many others left the industry of their own accord.

In 2022, things are looking up, with travelers coming back in droves. What they are discovering, though, is that the hospitality workforce has not returned in equal numbers. A survey by the American Lodging and Hotel Association found that approximately 97% of hotels are experiencing a staffing shortage and around 50% of those hotels say the shortage is “severe.” In the UK, meanwhile, some 15% of hospitality roles remain unfilled.

With every crisis, however, comes opportunity. For hotel managers, the challenge is how to run a streamlined operation while still meeting guests' expectations of top-notch service and amenities. There is no single solution, but a progressive approach to hiring and retention combined with a powerful and integrated tech stack could point the way forward for many hospitality operators.

We put together this report to share what we have learned about the causes and impacts of the current labor situation. We also look at what hotels can do today to ease some of the strain on their front-line staff, and explore how the industry might respond to the crisis in 2022 and beyond.



This is a pivotal moment for the hospitality industry. Travelers have come back, but many hotels have found themselves short-staffed, making it a challenge to provide guests with the level of service and amenities that they expect. In this report, we discuss the causes of hospitality labor shortage and explore ways that savvy hotel operators can address the issue.

<https://blog.pressreader.com/hotels/5-strategies-to-combat-hospitality-labor-shortages>



Table of Contents

Foreword	2
----------	---

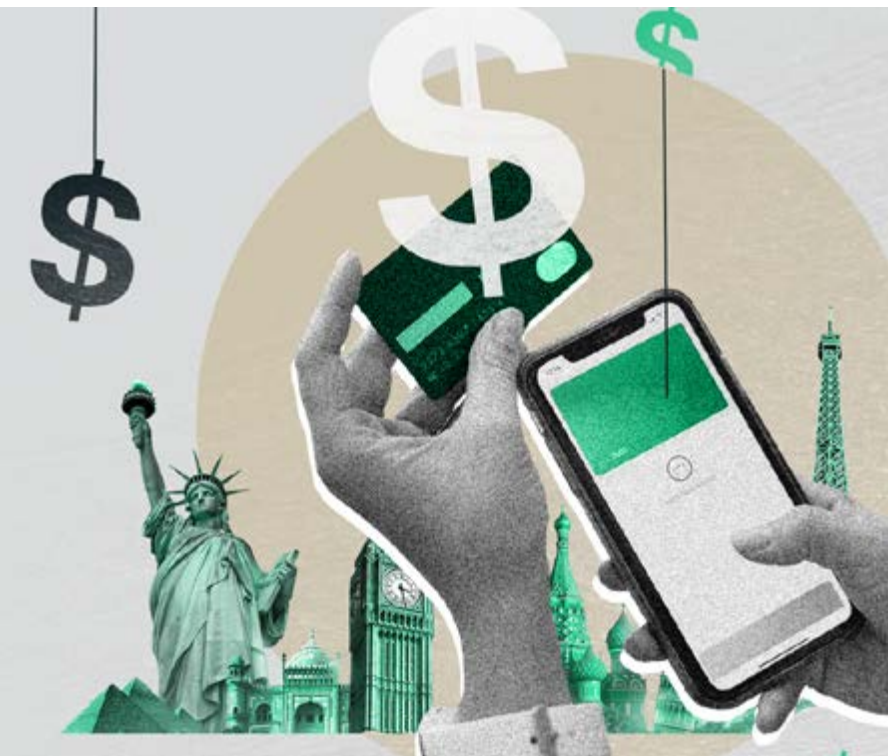
Our report	4
------------	---

Why is there a global labor shortage in 2022?	5
---	---

When will the staffing shortage in the hospitality industry end?	8
--	---

How can hotels get ahead of the hospitality worker shortage?	10
--	----

From our publishing partners	17
------------------------------	----



The challenge for hoteliers, therefore, is to find ways of operating more efficiently — without compromising the guest experience

An industry in recovery

According to one recent [global survey](#), 86% of consumers expect to spend more or the same on travel in 2022 compared to a typical pre-pandemic year. Great news for hospitality operators, but also a significant challenge in an industry that has not recovered from the hit it took during the height of the COVID-19 pandemic. In the U.S. alone, employment in the leisure and hospitality sector remains 7.9 percent below pre-pandemic levels, with some 1.3 million jobs still lost.

Greater demand for workers inevitably leads to higher labor costs for hotels — an expense that is ultimately passed onto guests in the form of higher room rates. According to a recent article in The Wall Street Journal, travelers have been reporting that their stays at even mid-level and budget accommodations have been more expensive and less satisfactory this year.

The challenge for hoteliers, therefore, is to find ways of operating more efficiently — without compromising the guest experience.

86%

of consumers to spend more

7.9%

fewer hospitality jobs

1.3 Million

hotel jobs still lost

This report has been created to address three of the most pressing questions faced by hospitality operators:

- Why is there a global labor shortage in 2022?
- When will the staffing shortage in the hospitality industry end?
- How can hotels get ahead of the hospitality worker shortage?



Why is there a global labor shortage in 2022?

THIS YEAR IS PROVING TO BE YET ANOTHER DIFFICULT ONE FOR THE HOTEL INDUSTRY. While people are starting to travel again and visit new places, the travel and hospitality sector is finding it hard to keep up and deliver the same level of service as it did prior to the pandemic. Today, opening your news app means reading at least one story about the obstacles travelers face. Either they're stranded at an airport, their bags are nowhere to be found, or — once they do reach their destination — their hotel experience comes nowhere near meeting their expectations.

As with many problems of this magnitude, there's more than one reason behind the current hotel labor shortage. Let's look at a few of the factors that are making it difficult for the hospitality industry to both hire and retain employees, and explore some actionable tips and tricks to stay ahead.

The fact is, we're in the midst of a global hiring crisis, and not just in hospitality. The job market, to put it lightly, is broken. Though there's a 3.6% unemployment rate in the US, businesses still find themselves desperate for staff. But while worker shortages are impacting all types of industries, the hospitality market is facing a particular challenge.

The most simple explanation for this is that the COVID-19 pandemic massively disrupted the hospitality sector and it prompted an unprecedented worker shortage. But there's much more to it than that. On the one hand, employees have little love for an industry that (in some cases) let them go en masse without much security to speak of. On the other hand, with ongoing acquisitions in the sector (a trend that preceded the pandemic), there's seemingly less of a focus on creating great experiences for employees, and more interest in the bottom line.



The fact is, we're in the midst of a global hiring crisis, and not just in hospitality. The job market, to put it lightly, is broken.

3.6% unemployment rate in the US,
businesses desperate for staff

Employees don't want to go back

There's no denying that the past couple of years have been brutal for hospitality, especially in the early months of COVID. Around the world, hotels had to pivot and adjust as countries deployed travel restrictions, rolled out their vaccine programs, and then figured out what it meant to reopen their borders. For many, this meant having to let go of staff that they simply could not afford to pay as they waited for things to return to "normal."

Now, as the industry picks up again, many of those same employees don't want to go back. In a 2021 poll of out-of-work Americans, more than half of hospitality workers reported that they had no desire to return to their jobs. There are plenty of good reasons why they aren't rushing back to work, of course. As health and safety remain top-of-mind for many of us even in this COVID lull, front-line, customer-facing hospitality jobs may not be as attractive.



It's not surprising, then, that at the end of last year, the US hotel industry had nearly triple the unemployment rate compared to the national average, even after a significant uptick in hires. Meanwhile, in Canada, 64% of businesses in accommodation and food services reported that they expected ongoing labor shortages in the third quarter of 2022. The reasons?

- Employees are looking for higher-paying positions that offer better perks and more flexible schedules — and most experienced workers have already made this shift.
- Hospitality workers are tired of dealing with unruly or demanding guests that have little consideration for their wellbeing.
- There's less of an interest in labor-intensive jobs such as housekeeping and maintenance.

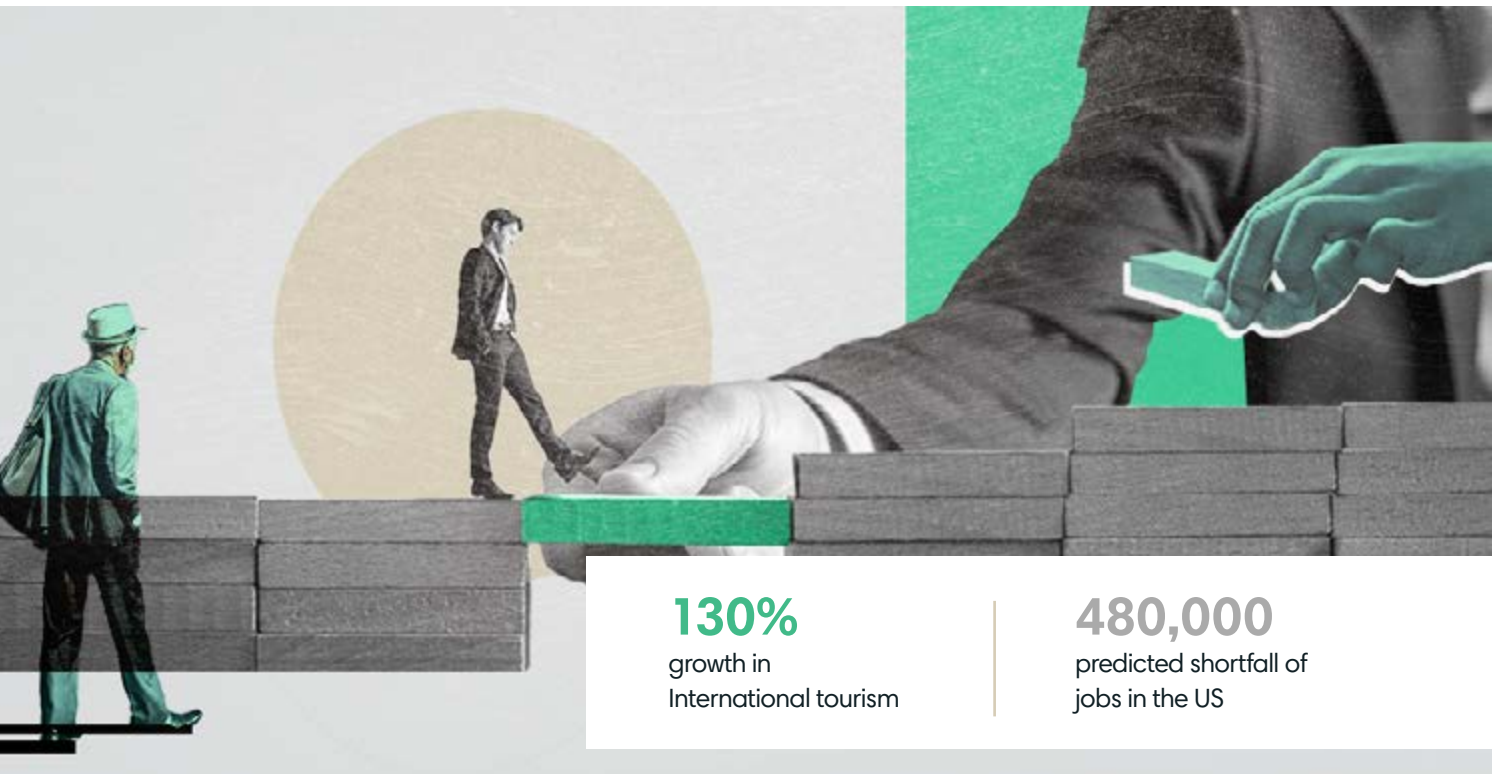
64%

of businesses in accommodation and food services reportedly to expect ongoing labor shortages in the third quarter of 2022



In addition to this, the hotel managers that are usually responsible for hiring are having to cover the labor gap and focus on other tasks — making it difficult for them to prioritize recruitment.

The impacts are proving dire. Hotels are having to reduce the number of rooms they have available, shut down their restaurants, and ultimately provide suboptimal experiences to their guests. Customer satisfaction scores are down, and hotel leaders are looking for ways to turn things around.



When will the staffing shortage in the hospitality industry end?



International tourism grew 130% in January 2022 compared to the previous year. Meanwhile, the World Travel & Tourism Council (WTTTC) predicts the US will see a shortfall of 480,000 jobs this year, though it's not the only country suffering: in Portugal, for instance, the hospitality labor supply is a full 11% below demand.

In a customer-service-focused industry, the impact of missing staff can be felt particularly sharply. Even as they struggle to fill positions, hotels are faced with the difficult task of trying to maintain an expected level of polish, professionalism and service. During high season, the pain of this is felt even more acutely.

It's unclear when exactly the staffing shortage in the hospitality industry will end, but the good news is that a study from Capital Economics sees a trend that the labor crunch is easing.

This could be because the corporate world is starting to shift. Companies today across all industries are more willing to accommodate modern expectations for work-life balance and flexibility, and hospitality is no exception.

That said: the WTTC warns that the problem of staff shortages, even if it doesn't stay at this extreme level, will likely remain beyond 2022.

"To ensure that shortages do not remain an issue in the longer term, it will be important for businesses and governments alike to implement and sustain policies that facilitate labor mobility, facilitate remote work, enable decent work and provide social safety nets, upskill and reskill the workforce, and promote education and apprenticeships," wrote the WTTC in its report on global staffing shortages.

We may have to accept that, without a significant shift in the hospitality industry, the people who have already left the sector aren't going to come back. Companies can start addressing the hospitality worker shortage by investing in a new generation of employees. Paired with this strategy, there will also need to be an ongoing review of wage structures and incentives. If someone loves the tourism sector and wants to dedicate their life to this space, they shouldn't have to give up a livable wage or financial security to do it.



To ensure that shortages do not remain an issue in the longer term, it will be important for businesses and governments alike to implement and sustain policies that facilitate labor mobility, facilitate remote work, enable decent work and provide social safety nets, upskill and reskill the workforce, and promote education and apprenticeships”



How can hotels get ahead of the hospitality worker shortage?

Clearly, the global worker shortage is an issue that's going to take time and collaborative thinking to solve. In the meantime, however, there are a number of things individual hotels can do to attract and retain employees. Looking at this problem from a systemic perspective, it seems it's time for operators in the industry to take a new approach to how they deliver their services — one that prioritizes investment in a new generation of hospitality employees, better leverages local communities, and adopts technologies that drive efficiency while still delivering exceptional services.

01 | Build your brand

02 | Invest in a new generation of employees

03 | Revisit your employee perks and benefits

04 | Be transparent about professional development

05 | Leverage local community

06 | Choose technology solutions that make your team more efficient



01 Build your brand and focus on recruitment marketing. Attract new employees by sharing your values and the things that make your company culture unique.

02 Invest in a new generation of employees by partnering with local education institutions and creating a sustainable pipeline of local tourism professionals.

03 Revisit your employee perks and benefits. Today's employees are looking for compensation that goes beyond the base salary — make sure you're meeting them where they are.

04 Be transparent about professional development. People want to know how they can progress from one job to another, and being clear about mobility opportunities can help with that.

05 Leverage your local community and outsource some of the key functions you're having a hard time hiring for.

As a hotel manager, you likely already have a number of partnerships with businesses in the area, but did you ever think of leveraging these relationships to help manage your staff shortage?

A lot of the amenities you offer at your hotel can probably be delivered by a small business in your community, saving you from additional headcount requirements. Take dry-cleaning and laundry services, for instance. Rather than have someone managing them in-house, you could outsource those tasks to nearby businesses.

Your local liquor store can provide recommendations for what wines to bring in, and your favorite deli can provide you with all the pre-cut meats and cheeses your chef requires.

06 Choose technology solutions that make your team efficient.

As we continue to grapple with this labor shortage and how to fix it, efficiency is the name of the game — and technology can play an important role here. Whether it's an automated chat bot that can handle simple queries from guests (like scheduling housekeeping during their stay), a mobile app and digital key card that helps guests bypass the check-in desk, or partnerships with digital amenities like Netflix, there are a variety of tech solutions that can help you deal with your staff shortage.

Let's take a look at a few.

Efficiency is the name of the game — and technology can play an important role here



High-tech hospitality solutions

Today, no matter what you're doing, it's unlikely you're doing it without some form of technology. Whether you're paying for your car insurance or purchasing your groceries for the week, there are multiple digital touchpoints that facilitate the interactions you have with a brand.

As our reliance on technology grows, consumers expect the same seamless connectivity from every single brand — whether or not they are fundamentally a tech company. Our standards for omnichannel experiences are higher than ever — and the travel and hospitality sector isn't exempt.

So, how is technology changing the travel and tourism industry? We interviewed members of the prestigious Les Clefs d'Or organization, a collective of hotel concierges from around the world that are dedicated to delivering exceptional guest services, to find out. Their role gives them direct insight into how technology is changing the way people travel and how they expect to engage with hospitality providers.

Personalization

Hotels are offering more personalized experiences, giving guests control over their thermostat and in-suite apps through the connectivity of the Internet of Things.

Mobile applications

Airlines and hotel groups are investing in mobile applications that allow travelers to do everything from making a booking and checking in to talking with a customer service representative or integrated chatbot.

Marketing

Travel brands have access to so much customer data. Brands that use this data effectively — in a way that's compliant with regulations — can do more to create targeted messaging, loyalty options, ads and promotional packages.

Payment

With the onset of contactless everything, a big trend in online travel tech has been the adoption of remote payment solutions so travelers can pay on their own device, without having to talk to anyone in the process.



5 crucial components of every hotel's tech stack

The list of technology solutions available to hotels may seem long — hotel accounting software, hotel booking software, hotel reservation software and more — but that doesn't mean you can't narrow it down. To help, here are five tech categories that hotels really shouldn't go without if they want to stay ahead of customer and employee expectations. No single piece of software is going to solve the labor crisis, but a strong tech stack will help you streamline your operation, which can make things a lot less hectic for everyone.



Property management system

A PMS is a solution that facilitates the booking management and admin tasks of a hotel. From housekeeping to reservation management and electronic payments, everything flows through the PMS. Beyond automating previously manual tasks, a PMS solution also holds a lot of data that can help you make informed decisions down the line.

Things to look out for when shopping for a PMS include what automation capabilities it has and what its user dashboard looks like.



Staff collaboration technology

Regardless of the size of your hotel, keeping your employees organized and on track is a challenge. Today, staff collaboration software automates a lot of the manual, time-consuming tasks associated with managing your employees, like setting schedules and communicating across the team. It drives consistency, ensures transparency and helps your team get on the same page. This, in turn, improves the overall guest experience as well.

As you're choosing a staff collaboration platform, look for features such as intelligent routing of guest requests, automated scheduling capabilities and comprehensive reports that show performance and productivity levels.



Concierge software

Even as you build more of a digital presence, in-person experiences can make or break how your guests feel about your hotel. The right technology can make having a concierge a more cost-efficient line item on your budget by providing cross-channel communication capabilities, integration with your PMS and an extensive knowledge base of things to do in the area and more. Keep your eyes open for these features as you choose the right tool for your hotel.



Guest feedback software

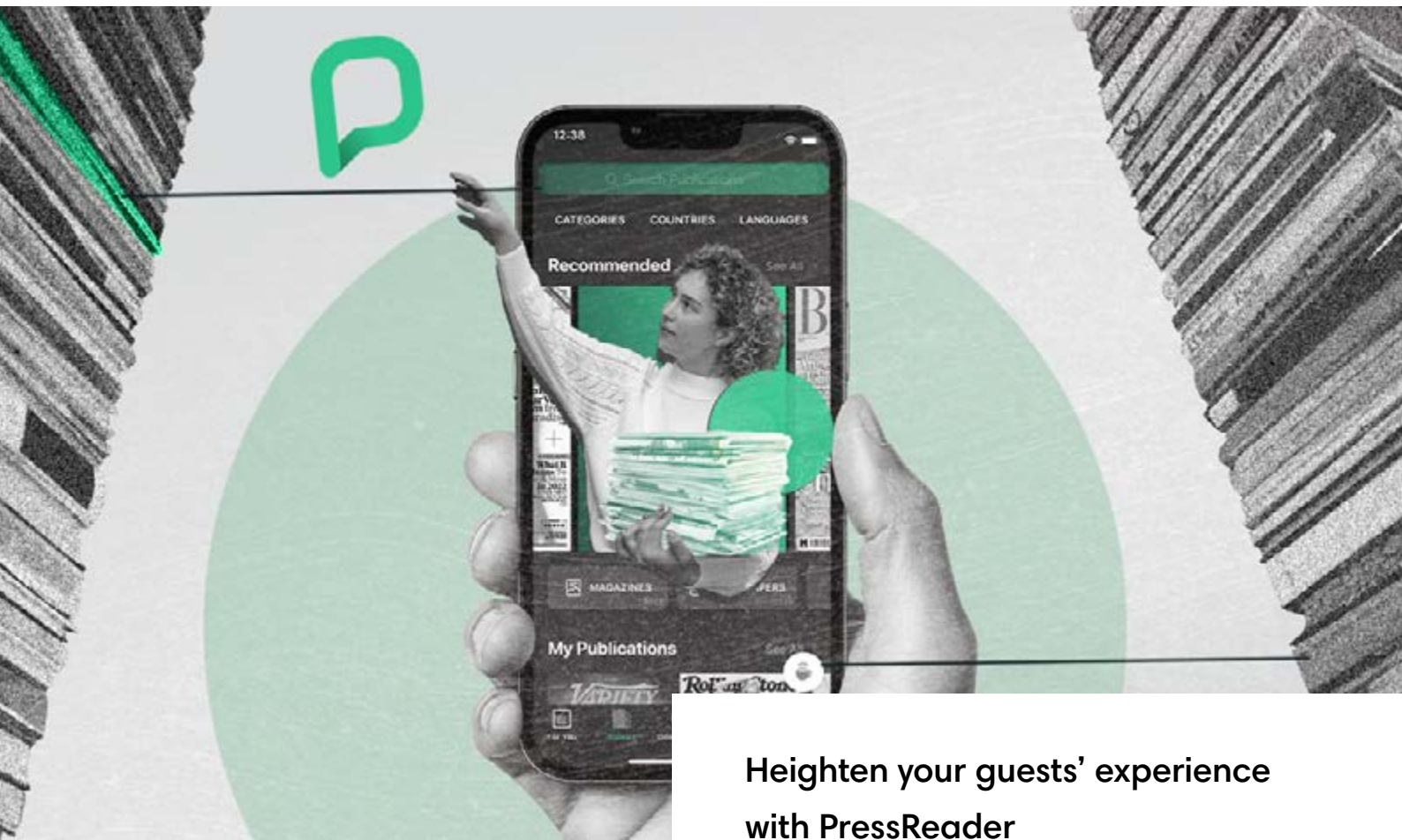
Hearing from your guests is a great way to learn about what they really enjoy about your hotel — and what you could be doing differently. The thing is, they're unlikely to share that feedback if it's not easy for them to do so. With guest feedback software integrated into your mobile app or website, you can access real-time insights and get ahead of a bad review. Features to look out for include the ability to see how often a guest has given feedback, a pleasant user interface for guests and the ability to customize your questions as needed.



Marketing automation platforms

While facilitating great guest experiences is a massive part of your role, you also need to do the work of getting guests into your hotel in the first place. Automating parts of your marketing efforts can reduce the time investment that goes into attracting your guests and allow you to spend more time ensuring they have a great stay.

Look out for marketing automation platforms that streamline your processes, integrate with your customer relationship management (CRM) software and make life easier for both your sales and marketing teams.



Finding ways to do more with less is now the name of the game

Heighten your guests' experience with PressReader

The impact of the current labor situation was summed up by J.D. Power's most recent North America Hotel Guest Satisfaction Index. Released in July, the report noted that the industry has not responded to the combination of surging demand and steadily climbing prices with a corresponding improvement in amenities or services. As a result, J.D. Power found that overall hotel guest satisfaction had declined 8 points (on a 1,000-point scale) from 2021. In short, guests feel that hotels are charging more and delivering less.

The challenge for hoteliers, then, is to find ways to be able to maintain a high standard of service while contending with staffing shortages. For leaders across the industry, finding ways to do more with less is now the name of the game. The goal? Improve guest experiences on smaller budgets, with smaller teams, in the face of ongoing uncertainty.

There is no easy, one-size fits-all solution to this conundrum, but hotels that have partnered with PressReader have found that it adds value to a guest's stay while also taking just a bit of the pressure off of overburdened front-line staff.



“Technology does make a difference. To have an amenity like PressReader is something that entices someone who’s looking at multiple front-desk jobs; it makes their jobs a little bit easier. With this tool they can create unique experiences for our guests without the extra work.”

– Brian Evola, the General Manager of Canopy by Hilton Austin Downtown.

What is PressReader?

PressReader is the largest all-you-can-read platform of newspapers and magazines where your guests can discover relevant and trusted content from more than 120 countries in over 70 different languages — publications such as Vogue, Rolling Stone, Forbes, Elle, New York Magazine and GQ, to name just a few.

Whether they’re traveling for business or pleasure, guests can choose from a wide selection of top publications whenever they stay with you. Readers can browse content online or download entire issues using the PressReader app, right on their own phone, tablet, or computer. This puts the power of choice in your guests’ hands, and gives them more value for their hard-earned travel dollar.

PressReader does this by providing hotels with a convenient guest amenity that’s a breeze to integrate into their existing systems, deploy, and operate.

Going digital means you get to offer more selection for your guests—effortlessly. By providing guests with up-to-date content they love in a paperless format, PressReader can take the work of selecting, purchasing and distributing hard copies of publications off of the plates of employees who already have their hands full with other duties. Hotels can also use the platform to share pertinent information with guests, including room-service menus, house rules, and announcements. This enables the hotel to operate more sustainably while simultaneously relieving some of the pressure on its staff.



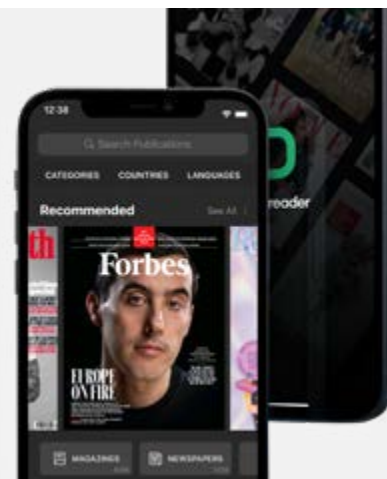
Access the app

<https://about.pressreader.com/download-app/>

In it for the long haul

Proactive hotel leaders are finding ways to generate a sustainable community of employees dedicated to improving the hospitality sector, and seeking out innovative technological solutions to fill in some of the gaps and improve the guest experience.

The hospitality industry’s labor shortage may be here for the long haul. But in the meantime, tools like PressReader can help smooth the road. Learn more about how [PressReader can act as a productivity solution for the hospitality industry here.](#)



From our publishing partners

Enjoy a selection of articles about the hospitality labor crisis and related topics, from publications around the world

- Even a prince can't find staff in hospitality crisis
(The Scotsman, July 23, 2022)

From improving pay to offering four-day working weeks, employers are transforming businesses to attract workers but the reality is that demand far exceeds supply.

[Read more >](#)

- On the threshold of digital renaissance
(Hospitality Talk, July 20, 2022)

Travelers, in this era, are now more inclined towards services that are tech-driven, simple, and deliver personalised experiences. These changing needs and wants of travellers are defining the way hotels operate.

[Read more >](#)

- Dozens of foreign workers detained at mountain hotels
(Calgary Herald, July 18, 2022)

It comes at a time when the Bow Valley hospitality industry and those who help hire staff have said there's an especially acute labour shortage to handle this year's busy summer season.

[Read more >](#)

- Brexit, working conditions and low pay: An inside look at Europe's hotel staffing crisis
(EuroNews, July 15, 2022)

If hotels want to retain staff long term, they need to make the work seem like a viable and attractive career choice.

[Read more >](#)

- Summer holiday chaos as German tourism, hospitality sector plagued by staff shortages
(Deutsche Welle, July 8, 2022)

The German Hotel and Restaurants Association, or DEHOGA, says recruiting new staff is currently the biggest challenge facing the industry. It says over 60% of businesses in the industry are looking to hire.

[Read more >](#)

- Hello, Robo Service? Hotel bellhop bots begin to alarm labor unions
(The New York Post, July 4, 2022)

"We are operating right now with 40% less human capital than we had before the pandemic," said Vaughn Davis, general manager of the Dream Hollywood hotel in Los Angeles, which has added two Relay robots — Alfred and Jeffrey — to the property since September 2020 to offset the shortage.

[Read more >](#)

- Great Britain's greatest comeback
(Hospitality News Middle East, June 24, 2022)

Hotel operators must look at alternative methods to tackle labor scarcity by implementing measures such as tailored training, improving work-life balance, diversifying career prospects and other strategies.

[Read more >](#)



In the face of an
unprecedented staffing
shortage, hotels are
embracing technology to
improve the guest experience



Web sites

<https://about.pressreader.com/hotels>

<https://about.pressreader.com/download-app/>

© 2022 PressReader Easing Hotels Labor Pains Report