



## HOTELS & SPAS **STATE OF HIRING**

*The recruitment challenges facing hotels and spas in a post-pandemic world are widely reported, but knowing the nuances for each of these sector challenges, compared to others within the hospitality industry, can help us to find a pathway to resolution.*

*Here we dive deeper into the causes and solutions for the skills shortages in hotels and spas.*



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# Vacancies have increased by 84,000 since March 2020

## THE SCALE OF THE SKILLS SHORTAGE

There's a lot of speculative reporting on the skills shortage in hotels and spas, and sifting through them can help to truly understand the issue and seek solutions. While it's easy to simply say that there's a skills shortage and to link it directly to Brexit, Covid, and an ageing population, these are broad categorisations that are not solutions focused.

Through our research, both internally and externally, we can identify deeper reasons for the recruitment challenges currently facing hotels and spas, which in turn can inform how employers change recruitment strategies going forward for more successful, sustainable hiring practices.

Here we have catalogued some of the most helpful reports that we have found to better understand the shape of the industry's recruitment landscape beyond your own business. Having this data can be used as a baseline to address skills shortages within individual organisations.

According to the Office for National Statistics (ONS), there were **178,300 empty roles** in the accommodation and food service sectors between November 2021 and January 2022. That's an increase of 84,000 staff vacancies since March 2020.

These jobs range from skilled roles requiring extended training periods, such as head chefs, to those with greater capacity for learning on the job. The job vacancies are not seemingly dependent on salary - the challenges for recruitment included highly paid positions.

**Download the ONS report [here](#).**



# LOOKING BEYOND BREXIT AND COVID

Looking at hotels specifically, in 2019 the University of Leicester, commissioned by the Office of the Director of Labour Market Enforcement, reported on the UK hotel sector and its contribution to the UK economy and employment market.

It identified a total economic turnover in the hotel industry of £19.4 million in 2017, accounting for 0.95% of the total British economy that year. At that point, the hotel industry itself employed 378,800 workers, accounting for 1.2% of total employment in the UK.

The wider hospitality sector accounted for 2,302,000 workers (9.3% of total UK employment), making it the fourth biggest employer in the UK in 2016.

For context, a Research Briefing from the House of Commons in May 2022 cites the hospitality industry as a whole accounting for 2.53 million jobs in the UK, representing 7.1% of total UK employment, in the three months to March 2020. The same report noted that the hospitality industry's share of the UK economy fell from 3% in 2019 to 2% in 2020 and 2021.

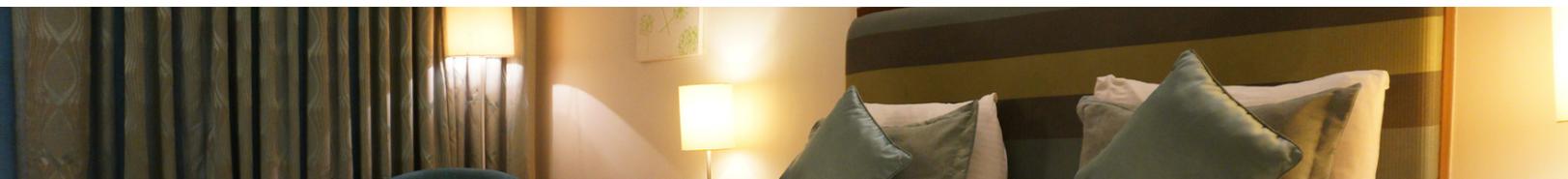
The University of Leicester report specifically looked at a decade long breakdown in the relationships between employers and employees. It indicates that the current skills shortage is about more than Brexit and an ageing population and pointing to a need for a different approach to sustainable recruitment practices and employee management.

Notable issues in the report were:

- Widespread zero-hours contracts, especially amongst young employees.
- High levels of job instability.
- The increased industry popularity had led to heavy workloads, long working hours and unpaid overtime.

It said: "The employment relationship in the UK hotel industry has become more precarious over the last 10 years, due to the widespread use of new staffing methods such as subcontracting and outsourcing, and employment practices including zero-hour contracts. Fissured employment relationships are more susceptible to violation as they create legal ambiguities (preferred by lead firms) as to who is responsible for labour market violation."

**Read the [University of Leicester report here](#).**



# 132%

*Rise in number of vacancies in the sector between January 2021 and January 2022.*

## THE VALUE OF THE SPA INDUSTRY

The spa industry has suffered from a lack of individual recognition separate from the rest of the hospitality sector, both over time and during the pandemic. It is an integral part of the hotel industry as well as a standalone sector.

In 2020, the Global Wellness Summit reported that spa departmental profit margins can range from between 35% and 40%, often supplementing hotel profits by bringing in day spa customers, upselling overnight guests and increasing customer retention. Data from [Statista](#) reported that in the USA in 2019, spa facilities in luxury hotels contributed approximately 5.2% of the hotels' total revenue.

As a whole, the health and wellness industry in the UK has been reported to be [valued at £6.4 billion](#) between 2020 and 2022 - keeping in mind that for much of this period the industry was entirely closed.

## UNIQUE CHALLENGES FOR SPAS

The spa industry has suffered uniquely during and after the pandemic, having been closed for more prolonged periods of time because of three key aspects:

- Many left the industry during the lockdown periods and have opted to stay in more reliable, less physically demanding roles.
- Fewer new therapists have been able to complete their training at the same time, creating a gap in the pipeline. They now enter the marketplace with less experience.
- The industry appears to be attracting fewer young people to join it going forward.

In 2022, the National Hair and Beauty Federation (NHBF) noted an average drop of just over 20% in the number of apprentices in England, more than halving from 2016/17 to 2019/20. This has also appeared, in part, to do with a lack of Governmental financial support for apprentice roles.

Read the Global Wellness report [here](#).

Download the NHBF report [here](#).

# WHAT ARE THE OPPORTUNITIES WHEN IT COMES TO HIRING TALENT?

What we can deduce from this information is that while Covid and Brexit have had an impact on the skills shortage within the hotel and spa sectors, they have likely exposed underlying issues that were already set to challenge the industry.

Both sectors have a vested interest in reviewing recruitment practices in line with the wants and needs of Gen Z and Millennials. However, these are changes that have been bubbling beneath the industry surface for some time and are in fact not uniquely wanted by younger workers but employees as a whole, many of whom are now voting with their feet. As the hospitality sector has grown, businesses and their employees have been running at a million miles an hour to keep up with demand.

The recruitment crisis sees the unsustainability of current practices and a need to revisit key areas of recruitment in order to attract new talent and retain it going forward, meeting the current and future needs of the industry.



# **KEY AREAS TO FOCUS ON**

## **CONTRACT TYPES**

Provide employees with contracts with a clear number of hours as a minimum so that they can be assured a certain level of income and job security. Use contracts as a basis to show that they are valued and supported team members.

## **JOB PACKAGES**

Millennials and GenZ are not purely motivated by financial remuneration. They are interested in lifestyle, health, work/life balance, and skills and career development. When planning your recruitment strategy, consider packages that will attract and support team members meaningfully. For example, consider the barriers they may be facing from home when it comes to their careers such as a lack of home support, transportation issues

## **TRAINING OPPORTUNITIES**

Career development is a high priority for early-career candidates, and it's also essential for the long-term benefit of the hospitality industry as a whole. Including training opportunities within clear career pathways is an important way to show prospective employees that you're prepared to invest in them and that they have a future within your team.

## **CLEARLY DEFINED PROCESSES FOR OVERTIME**

One of the big challenges in the hospitality industry has been how overtime and extra hours are managed and compensated. It's essential to have clear processes in place for managing overtime, so that employees know that they are going to be proactively supported and that they do not feel there will be negative consequences if they are unable to complete hours beyond those agreed within their contracts. This is essential for both a productive, committed and happy team.

## **JOB SECURITY**

A lack of job security is one of the biggest challenges for those entering the hospitality industry. Contract types, training opportunities and clear overtime processes and holiday allocation will support individuals in their sense of job security. This is also a topic that's formed on a more general basis in company culture and internal messaging from the top down.

## GET IN TOUCH



Lucy

Co-founder, Sort Your Future

Discovering late in life that she is autistic, Lucy is an advocate for greater understanding of neuro-diversity and mental health in education and workplaces.

She started her career working in organisational development and leadership training before moving into education marketing at the University of Hertfordshire. There she was responsible for student recruitment, working in both UK and overseas markets.

She began lecturing in Marketing at the University of Hertfordshire in 2006 and moved on to a lecturing post at the University of Wales Trinity Saint David in 2010, winning multiple awards for her teaching.

She is a regularly invited to speak at business and education conferences and workshops, and her TEDx talk “**How Designers can Transform Education**’ was described by global education pioneer Sir Ken Robinson as ‘moving’.

She has also been a Board Trustee at the Royal Society of Arts, a member of the RSA’s Fellowship Council, and currently Co-leads their Innovative Education Network.