

# British hospitality industry -is the soup spilling too much? essay sample

[Health & Medicine](#), [Hospital](#)



*'The cook has run away, sir what do we do with order of table no. 6? Shall we ask the housekeeper to prepare the meals?'* This conversation may sound like a careless whisper to an amusing television audience. However, to the beleaguered hospitality industry, that employs nearly 1.8 million employees (migrants & immigrants) in various hotels, restaurants, pubs, bars and catering units this situation is a harsh reality. Staff turnover is very high in the industry.

What ailing issues are spoiling the proverbial broth (staff) to seek opportunities elsewhere? The problem of high turnover needs addressing. Nevertheless, how, is the moot question? By 2010, the British hotel industry will need nearly 30,000-35,000 trained and skilled workers at top levels. Colleges and universities have ample vacancies for students; there is enough scope to earn. Then why does the problem persist? The alarm bells are ringing, as the corridors of the hospitality industry are checking in new ways to retain their staff. We attempt to understand the current attrition rate and seek workable solutions to raise the sagging spirits of hotel owners and the industry at large.... and give incentive to employees to stay back and work.

Why is the Staff Turnover High?

The Labor Market Review (2000) pointed the following statistics.

1. The hospitality industry accounts for 6.3 % of the total employment in UK.

2. The industry suffers from an above-average labor turnover (unavoidable due to the seasonal nature of the sector) – unsatisfactory pay being the most cited reason for leaving the industry.
3. The industry is a low-paying industry: comparing weekly earnings for manual workers in hospitality versus all industries shows a variance of £100 (1999 figures).
4. There is a link between pay, recruitment and retention.

Therefore, what is needed immediately for the industry to become a more attractive option as a career and stop a high staff turnover? No one wants to work like a donkey with a pittance for salary with long working hours. Even Oliver Twist would rebel in this age when work hours in other labor industry have changed and become flexible to suit employees.

Nearly six years ago a new guide- *Creating a work-life balance* was launched by M P Alan Johnson specifically for the hospitality industry. If we look at the Labor Review figures, most employees are not satisfied with the pay scales and work hours. The new generation of workforce wants quality, time off for other areas of their lives other than work. The working guide gives excellent tips for business tips to retain staff. What is needed in today's hospitality environment is motivation, reward, stress busters and higher volume of productivity.

Most people in the hospitality industry are young and they do not wish to stress themselves by working back to back. If the hospitality industry has to retain this young force and make it attractive, enough to for them to

continue for many years some changes have to be made to suit them. After all, they are in their productive years and can become loyal employees. After all human resources have to be valued. Investment in young people is likely to yield better results in terms of revenue and productive working hours. The most can be made out of the immigrant population that seeks entry into UK. They would be equally receptive to working if paid well along with working hours. Most would not mind working long hours to gain confidence and with proper work permits, they can be retained to become a part of the mainstream workforce.

Draconian laws pushing the physical limits of work (especially for waiters, cooks and managers) are criticized often. Europe's 40 hour-week schedule was implemented reluctantly in UK. Due to long working hours, it is mostly immigrants who seek work permit to do odd hotel and restaurant jobs. Quite a few of them (between 18 years-35 years) are from countries who wish to polish up their English and move to other careers. Working in a hotel, pub or restaurant gives them a stipend and covers college fees, gives food accommodation as well. It is easy to wait on tables' part time. What more would a youngster need until he has enough to fly the coop?

The industry employs people who do not have the necessary qualifications for a particular job but have sufficient experience. Skills are normally acquired on the job. As long as the employee is not frustrated and runs away nor puts in resignation, like in other companies. No notice period is given before leaving making the boss very strict. An employee is fired when he refuses to stop non-stop work or asks for a raise. Bosses traditionally have

cut pays, given less holidays and overcome crisis with part time staff. Can anyone be really blaming the staff walking out as regularly as the customers do? There is no reservation quota for qualified graduates from colleges either. The basic job security is missing from the job. The attraction of a good ambience, meeting interesting people and looking at smiling faces is not enough to satisfy employees. Much more needs to be done to hold the staff back for long-term service.

On the other hand students doing part time waiting jobs (offering good tips), summer jobs, internship or bailing themselves out of financial troubles or just meeting new people are not serious about this 'career' in the hospitality industry. Maybe out of ten one or two may stick around to become managers with slightly raised salaries. The attraction of the hospitality industry does not lie in its pathetic working conditions and the government is not doing much to help either. The service industry is very people oriented and needs to be addressed with a more humane approach to bring back the smile on the faces.

Few hotels have foreseen the need of having valuable human resource. Training sessions for employees and programs have helped them in retaining some staff. In a news report on [hospitalitynet.org](http://hospitalitynet.org) Ian Scarth describes in an article '*Lip Service: The Kiss of Death*'

*"Seven years ago Claridge's had one of the most admired histories of any London hotel, yet the hotel itself was in desperate need of both financial and human investment. It also needed a manager who was willing and strong*

*enough to use both these resources in order to change what was seen as the untouchable but fading jewel of British hospitality.*

*Enter Christopher Cowdray, supported by a new management team that set about implementing impressive reward and recognition systems designed to encourage employees to take ownership of the service encounter. An employee-owned training room was built, in which vigorous training was undertaken; 360 degree feedback systems were introduced so that managers could gauge morale within the building. The hotel began to recruit employees for their attitude as much as for their skill and an all important no-blame culture was established.*

*New employee appraisals were introduced and internal promotion became a key goal whenever possible. KPI's were set and the hotels daily performance statistics were displayed (good or bad) for all to see. The management's visual profile was raised around the hotel and survey-based data collection was introduced to ensure staff satisfaction was moving in the right direction. Today the Service Profit Chain is alive and kicking at Claridge's, where the staff appreciate the value they contribute to the success of this fine hotel. That value may not as yet be indicated on any balance sheet, but Cowdray has no doubt as to how much the hotel's workforce has contributed to impressive bottom-line performance."*

Other key issues include improper recruitment, sketchy training programs for freshers, and high attitude of employers that make employees leave in disgust. Nearly 39, 000 vacancies for chefs are unfilled in the Southeast

(London). A huge shortage of waiters is constantly troubling owners, a position at the bottom of hierarchy. The other larger posts are also vacant. Other factors that contribute to large staff turnouts are seasonal recruitment. Holidays, summers, tourist seasons are limited to certain months only.

Workers wanting to continue are forced to leave chiefly because of low wages and long working hours without any overtime benefits. Hotels are a low-paying industry: comparing weekly earnings for manual workers in hospitality versus all industries shows a variance of £100 (1999 figures). The variance for non-manual workers is even larger at £123 per week. British hoteliers have reluctantly absorbed the 48-per week clause in line with European commission. Most cooks, chefs and other workers consider working in the as slaves.

### Solving Problems

There are no quick fix problems to stop staff from running away. Ask any Human Resource people what is the solution. Most of them will probably put their bets on training and proper education programs for students to take up a career in the industry. After all, the industry is attractive enough to sustain a good dedicated workforce for several years.

However, it is also necessary to get to the root of the problem. As long as employers are recognizing that workers need benefits, good environment to work, security and rewarding the long-term staffers they are likely to suffer fewer nightmares. With high competition all over the country, it becomes necessary for serious hoteliers to retain their workforce and consolidate their

positions in the industry. On the fringe, it works well for their reputation as well! A good idea is a very good scheme. For anyone wanting to run away suddenly, it works well as a carrot. Any employee standing to benefit from a scheme will think twice before wanting to leave.

Until a few years ago, hoteliers were easy on the floating staff claiming that it had no effect on them. However, gradually they have realized that when the staff leaves on short notice or disappears it affects business, quality of work and loyalty of customers also. The employers have had an upper hand taking references when hiring staff. Nevertheless, the staff is also now looking at employer's reputation before jumping at any give opportunity. This way they do not feel they have wasted time in the organization and learnt lesser skills. An employer maybe high on one scale but down on another. As options, increase for workers it remains that money remains the vital criteria for remaining or leaving the organization. There is an important point raised by Chantal Walton, Director HR on Tap in Caterer and Hotelkeeper...

*“ Employees who say they left for a “ better job” aren’t telling you what flicked the switch within them to decide to leave in the first place. Without understanding this motivation, businesses really can’t get to the root of the problem.*

*It’s the same with customers. Most unhappy customers won’t bother to tell you - they’ll just leave and never come back.*



*Third, are we implying that 26.5% labour turnover is a target to aim at? That's still a hell of a cost to stand every year in an industry that's already short of good staff. Shouldn't we be aiming for a vastly lower number, with a view to developing and retaining the best talent we have?"*

*(The link to this interesting article ( <http://www.caterersearch.com/Articles/2006/04/13/306294/The+hidden+costs+of+staff+turnover.htm>).*

From the point of view of the employees, working hours and pay scales and overtime compensation is top priority that needs immediate remedy. Few hoteliers wish to improvise on these issues. This is one single reason why the hospitality industry is getting a bad image. Take for example any restaurant or café down the road. Do you see happy smiling faces waiting on your table? If yes then they are being well looked after by the management. If the scowl is there on the face or if the order takes long to come, it could be anybody's guess what went wrong. In the service industry, it is of utmost importance that the staff appears happy.

Even the five star hotels face problems at times even though they are less likely to have weak management like small cafes or small hotels. It is necessary for the hotel to be an attractive working option for staff at all levels. Just addressing the issues of long working hours and higher paychecks is insufficient. Not to speak of verbal abuse, sexual abuse (chambermaids and hotel cleaners and waitresses regularly face these problems) need to be tackled quickly. If the workers were satisfied with their

jobs, they would look around less for alternative careers. As cash counters jingle with more revenue things could be brighter.

Keeping the future requirement in mind students could be encouraged to take up catering education. Apart from being employed directly by the hotel industry the other allied industries like airlines (inflight catering), tourism, spas also can be an added attraction. The nice thing about the hotel industry is that it offers man options within and its periphery. And if someone employed is enterprising enough they can get into business themselves! If you have the talent flaunt it and make it work for you.

#### Core Issues That Need Immediate Attention

From the current situation, it is obvious that skilled labor in the industry is lacking. Good managers, administrative & kitchen staff are vital to the smooth running of the business. How this could work to the advantage of the owner? A competent manager will handle the staff intelligently. He could be an ideal troubleshooter between the employees and management. Being accessible to him, employees need not face management with every problem. A good chef makes sure the customers keep coming back for more. Moreover, that can only happen when he is allowed to express his culinary skills without restrictions. What 's more, some casual leave, holidays, compensation, rewards for new menus are certain ways to recognize the sweat of his labor. Which cook would want to disappear if fed properly and given some more benefits?

The hotel industry is growing largely as travel all over the world is shortening distances. Cross culture cuisines, tourism boost and business travel have increased too. What needs to be now developed is the in-depth knowledge of the industry. Keeping one finger on the pulse of the customer and the other in the pie works wonders. At college level it self students can be given the ultimate attraction of working in the easy-going service industry. The potential of working can be tapped with promotional events, programs and seminars. As the structure of hotels has undergone changes, staffing problems have also changed. Keeping in mind that all travelers would not stay in hotels (some prefer bed & breakfast inns, motels, living with locals or even service apartments) one can reinvent the working system.

The recently launched Investors in People Award (IIP) may do the trick for many ailing businesses. This award seeks to recognize employers who put into practice a recommended healthy working environment, training and promotion opportunities for staff at every level. This helps in establishing a good reputation for the hotel especially for recruiting staff. When this scheme was introduced, it was done with the main aim of reducing staff turn over. This also helps in keeping the customers to remain loyal. Then this award is fading into oblivion. Human Resource companies don't talk about it anymore because of thinning staff in many hotels.

Falling interest in the scheme by management and the swathes of foreign workers unfamiliar with the scheme meant the IIP award slowly but surely disappeared from the industry's horizon. It therefore failed to deliver its aims. early part of April the Government dissolved all National Training

Organisations (NTO). They are being replaced by so-called Sector Skills Councils (SSCs) which are employer-led UK-wide bodies licensed by the government to identify skills shortages and deliver action plans to tackle them. Their aim is to reduce labor turnover, plug holes in the skills map and help employers and individuals make informed career choices. It is yet to be decided if hospitality will get an SSC all by itself or whether, more likely, it will form part of a more universal sector such as tourism. This really means the real issues have not been tackled yet.

### Word of Caution To Recruit Workforce

It not all work and no p(l)ay. Nor is it all p(l)ay and less work. Those expecting a roller coaster ride of high tips, meeting exotic strangers, making friends and experiencing a good ambience need to know and understand some hard-core facts. Most of the jobs in this industry are not nine to five and keep odd hours. How many youngsters are ready for that? If not then HR people should not even ask them to try it as a lark. Most youngsters' think it is the easiest thing to wait on tables, take orders and smile and at the end get a good tip. Nay, there is much more responsibility-bringing the order on time, handling a pesky customer, explaining some difficult item on the menu, correct billing handling multiple customers during peak hours and being cordial to fellow staffers. A novice can truly be intimidated and find it tiring.

As there are plenty of opportunities, what one should keep in mind is to recruit those have aptitude for some jobs or display particular talents. For example, a waiter who whistles, serenades customers may not be amusing

to all nor is he in tune with other workers who may not display such talent. He should take up singing with the band or stop singing. Waiting needs some seriousness and respect to the customer. The same goes for any boss who expects his employees to be multitasking. A hotel cleaner may not do the job of a chambermaid with perfection. The key thing is to seek the right person for the right job. A person on the till desk or cash counter may not be expected to keep the accounts for the auditor as well. Anyone will not do for any department.

Some hotels prefer hiring cheap labor and that is possible on hiring immigrants who are looking for accommodation and free meals. Is every immigrant ideal to be given the job? Find out the educational qualifications and language skills of the person before giving a work permit. More over, find out if the immigrant is using this job as a stopgap arrangement or wants to make a career in the industry. It makes more sense to recruit and train someone who wants to continue on a long-term basis.

As for employers make sure that just because the employee will be living there as well, he cannot be overworked at all odd hours. At the beginning of 2006, the government-recommended amount was £27. 50 per week for housing and three meals a day. This amount is deducted from the paycheck, with the result that no bills or any other administrative problems to worry about.

Since the staff turnover is quite high, the belief is that most of the work force is dispensable. It is frightening but true. Some hotels have nearly a staff

turnover of 400 employees per year! This normally happens when the hotel owner wants to cut costs and exploit new immigrants. Sometimes competition also forces one to push lower staff to work hard. In such hotels, the level of professionalism between the employees and employers is zero. To spare new recruits one can easily brief them about the flip sides of the jobs.

### The Future Can Be Better

Most employers are realizing that it is necessary to have better working conditions to thrive in the growing industry. Then only it will be possible for them to eat their cake and have it too! In the beginning of the year, C&IT hotel survey conducted a research on 24 major hotels and their views on the economic conditions in the near future. Since record foreign traveler strength since 2004 has been registered, it is a healthy sign for business. How hotels creatively market themselves to attract customers is also important.

The business and leisure traveler has come of age after global exposure to the services of the hospitality industry. Language skills are more important to understand needs of the traveler. Business travelers are getting corporate discounts, being given extra facilities and mileage for continued visits. Therefore, at some level there is improvement in the infrastructural level. This needs to percolate to the humane level as well to translate better figures of revenues. Promotions, events, and exchange programs, festivals and carnivals are aiding the hotel industry in the right direction.

Staff turnover remains a major sore thumb. For an industry founded on the ability to create and maintain relationships, the 50-100 per cent turnover of hotel operations staff quoted by the British Hospitality Association (BHA) is alarming. Having good relations only with customers is not the key. Like the customers, the staff too, needs to professional handling and care at every stage. It is obvious that no one can be taken for granted. The BHA also feels that as long as the transitory staff keeps performing it hardly matters if any of them turn permanent employees. However, this is the trouble. Some officials do not wish to take up the issues. It is left to the hoteliers to circumvent or directly tackle the issue at their level to keep afloat or get into competition. If the staff can be made to realize the long-term benefits then they would not mind working hard for longer hours. They need to be compensated or rewarded whichever is required according to the type of service.

In Brief A Look At Current Employment In Hospitality Industry.

### Hotels

There are around 48, 000 small, independent country hotels to luxury five-star hotels in the UK and they employ some 250, 000 people at all skills levels. Nearly 17% of the total number of hospitality workers in various employments.

### Restaurants

This sub sector includes take-away food outlets, fine dining, ethnic restaurants and coffee bars. It remains relatively resilient, as even in an economic downturn, people still enjoy eating out and their taste in food is eclectic. There are around 106, 500 outlets, employing more than 500, 000 full and part-time staff. Seventy percent of businesses are owner-operated with the other 30% owned by groups such as- The Restaurant Group and Whitbread. The larger groups offer management training schemes to graduates.

### Pubs, Clubs and Bars

The licensed retail sector is worth £20 billion. It currently employs over 900, 000 people. There are around 64, 000 on-licensed premises in the UK. They range from small, country pubs to large, city nightclubs and bars (source: British Institute of Innkeeping (BII)). Labor turnover is high mainly due to the large number of students employed and there is a high proportion of part-time staff. However, promotion can be quick and branded chains can offer excellent management opportunities.

### Contract Catering

Any catering business unit is separately operated and managed. Some of the outlets supplied by contract caterers are schools, hospitals, local authority and in-company catering and food services. It is a rapidly expanding sub sector of the industry and is dominated by a handful of large players. The newest of these to emerge is BaxterStorey, which was created in 2004 and now forms the fifth largest contract caterer in the UK.



## Hospitality Services

Incorporates all those working in establishments where hospitality is not the main function and is not contracted out. Areas include medical, educational, industrial, retail, culture/sport, public administration and transport. Future growth is linked to the strength of the economy and, therefore, the demand for in-house services, although this could be offset by an increase in outsourcing to contract caterers (Source: Hospitality Training Foundation).

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