

## State of the Workforce Survey 2023 Results

State of the Workforce 2023 examines the changing skills and labour market across the tourism and hospitality sector in Northern Ireland, incorporating the views of over 75 employers. The first in **a series of themed reports**, this edition looks at the effect that the market conditions have had upon recruitment and retention.

### Recruitment and Retention

What the research is telling us:

#### Workforce challenges

Employers continue to face a persistent challenge when it comes to recruitment and retention. Skills shortages are by far the greatest concern, with employers finding it difficult to recruit people with the required skills and retain valued employees.

The top five challenges facing employers are:



**Recruiting  
appropriately  
skilled staff**



**Building  
collaborative  
teams**



**Attracting a  
diverse  
workforce**



**Supporting the  
health and  
wellbeing of the  
workforce**



**Retaining  
valued staff**

As the sector continues in its recovery from the impact of the pandemic, labour shortages alongside supply chain issues and surging inflation have created a series of new disruptions for businesses. Employers highlight that the legacy of Brexit and the pandemic which caused a high number of staff to leave the industry is being compounded by political instability and the cost-of-living crisis, impacting on long term planning for businesses, resulting in a 'complex picture'. Collectively this has meant the sector has seen a loss of critical skills, with shortages most notable for chefs, front of house roles and managers. This has had a significant impact on businesses, limiting their ability to operate at full capacity, maximise revenues and open new ventures.

## Skills shortages - hard to fill vacancies

**84%**

of employers stated they had difficulty filling vacancies in the last 12 months



A general misconception of the available career opportunities and skills requirements across the sector amongst job seekers and those who influence them is a significant factor. In a competitive labour market, pay relative to other sectors and perceptions of the sector make it a less appealing prospect. Employers are also having to compete cross-sector for certain skills profiles. The transferability of skills has led to increased mobility between sectors, especially for digital skills.

The top 5 hard to fill vacancies across the hospitality and tourism sector are:



**Chefs**



**Managers**



**Housekeepers**



**Food &  
Beverage Staff**



**Bar staff**

## Equality and diversity

Despite employers citing that attracting a more diverse workforce is one of their key workforce challenges, only just over half of employers report that they fully or partially assess staff demographic data to check if it represents the wider population.



## Retention of staff

**67%**  
of employers are experiencing  
challenges in retaining staff in the  
last 12 months



Retention of staff is proving problematic with many businesses highlighting that losing people in the first six months is common. Some employers quote experiencing estimated annual turnovers as high as 75%. Expectations mismatched with the realities of work, lack of clear progression, working patterns, inflexibility and less competitive salaries are all contributors.

Managers have often been promoted because of their technical skills, without receiving the management and leadership development. This impact of the 'accidental manager' has led to managers not having the skill needed to effectively recruit, manage and motivate staff, which has a direct impact on retention.

## Effective approaches being adopted by employers

### Widening the talent pool and attracting a diverse workforce



Changing advertising style to match what prospective colleagues are looking for, digital advertisements focusing on the realities of the job. Offering more job experience as part of recruitment.



Looking at what benefits can be provided to attract different demographics such as examining work/life balance preferences (i.e. non-standard hours and how childcare responsibilities influence desired working schedules/flexibility) and advertising to professionals in other sectors that offer similar opportunities.



Offering reskilling programmes to target women returners and older workers.



Using internships, graduate positions and apprenticeships.



Leaning on charity sector to reach into disengaged communities.

## Rewards, perks & incentives



- Competitive salary and regularly reviewing rates of pay
- Bonus schemes
- Incentive payments
- Generous holiday entitlement
- Attractive pension
- Healthcare
- Employee assistance programme



- Discounts programme
- Rewards for completion of years of service
- Regular well-being team events/lunches/socials
- Recognition in internal and external communications
- Employee of the month with financial reward
- Social and community engagement

## Improving the employee experience



Presenting career pathways, learning and development opportunities and long term development plans to new colleagues as part of induction.



Touch-point calls' with staff in their first 6 months to resolve issues and improve retention. Calls from senior management on progress.



Making colleagues feel valued through welcome gifts and inclusion in higher-level meetings with senior decision makers. Helping them to feel part of something bigger.



Good work-life balance



Flexible working opportunities (clearly communicated)



Regular employee engagement surveys that also look at generational differences

## Clearer career pathways and development opportunities



Career pathway maps that showcase opportunities for skills development and career advancement.



Showcasing lateral moves as well as promotional and show case studies where people have moved across the business, improving opportunities for 'Squiggly careers'.



Investment in training & development



1-to-1 coaching



Qualifications and apprenticeships



Conferences and networking opportunities



Supplier familiarisation trips

## HATS Network response

Given the challenging recruitment environment and the need to restore confidence in the sector as a stable and viable employer, it is vitally important that industry and partner efforts continue to promote the unique benefits of working in the industry, boost perceptions and attract potential job seekers. We need to champion people at the heart of the industry and change the narrative - to be seen as an exciting industry offering quality jobs. And at the same time, focus on retaining the people that are already in the industry.

The **Make it Here campaign**, led by Tourism NI which aims to encourage more people to consider a career in the tourism and hospitality industry is a welcome initiative. It provides an excellent platform for employers to showcase the positive aspects of working in the industry that are usually overlooked, such as career progression opportunities, flexible working hours and the sociable nature of many roles.

Many businesses are working harder than ever to offer a better quality job experience and to build a better reputation as an employment destination of choice. The launch of the **Wellbeing & Development Promise** encourages sector employers to commit to improving workplace attractiveness to ensure that team members are well supported and feel valued in an environment that allows them to reach their full potential and flourish. Supporting resources featuring industry experts are available from **HATS Network** and **Tourism NI** to guide employers on best practice recruitment and retention.

With evolving employee expectations post-pandemic, employers need to think differently about how they pitch to prospective job seekers and existing staff. The **perceptions research into employment in tourism and hospitality** in 2021 commissioned by Tourism NI in partnership with HATS Network presents an in-depth understanding of the public perceptions of the industry as well as the experiences of employees.

High labour turnover has always been seen as an accepted way of operating – however, rising staff costs and a competitive labour market means that many businesses are rethinking their strategy, especially as it has become so difficult to recruit. There's a greater need to focus energies on retaining talented staff. Addressing the impact of the 'accidental manager' through formal management and leadership training and development is imperative in addressing this challenge. A recent study by the Chartered Management Institute demonstrated the significance of **the problem with 'accidental managers' contributing to almost one in three workers** quitting. Providing training that gives individuals the skills needed to effectively recruit, retain and motivate employees and ensuring that promotions are not just based on technical competence but also take into account behaviours and other key leadership traits is crucial to improve retention and productivity.

While there are no silver bullets, the employer examples highlight some common interventions:

- Understanding staff needs and motivation through employee engagement surveys and better two-way communication
- A focus on management training to improve people management skills
- A commitment to releasing middle managers for development and training in leadership and management
- Clear development pathways to show career opportunities
- Linking training to career and development pathways
- Linking pay increases to completing blocks of training

With increased retention comes less pressure on finding staff, as well as the associated recruitment and training costs.

It is vital that all leaders look at the full range of opportunities to nurture potential talent and explore new ways to introduce people to the industry. Hospitality and tourism has a track record of providing a diverse range of desirable career paths from entry level through to highly skilled roles offering career progression and social mobility. Attracting diverse candidates helps to build an inclusive workforce, address skill and labour shortages and can benefit the organisation's and sector's reputation as an inclusive employer. **Employment support schemes and services** can be accessed to help sector businesses to recruit the right talent. Community based employment charities and labour market partnerships can help to reach wider and untapped talent pools.

An increased number of businesses are looking at apprenticeships as both a recruitment and retention solution. They are a great way to build talent and skills in the business, enabling apprentices to excel in their role, but also take on new and exciting challenges and progress into future management and leadership positions. Importantly, they help staff feel valued, invested in, and ultimately more likely to stay in the business. The recent extension of funding by DfE to support **All Age Apprenticeships (+25)** will also support the attraction and development of older workers in the sector.

Micro and small businesses have particular challenges in how they invest in and manage their people to support business growth because they do not have dedicated HR support and owner managers have limited time or capability in this area. Skills policy and funding interventions need to take account of the needs of SME's in particular, given their importance in the sector.



## Recommendations for employers

- Engage in the **Make it Here campaign** to share your vacancies, inspiring employee career stories and what makes your workplace attractive
- Utilise the **perceptions research** to inform your employment offer and advertising to better match what prospective employees are looking for
- Offer the best quality employment experience and sign up to the **Wellbeing and Development Promise**
- Connect with the **available employment support schemes** through the DfC, employment charities and local labour market partnerships to tap into wider talent pools
- Offer **apprenticeships** as a route to attract people into the industry and provide a career development pathway
- Develop the people management capability of line managers to aid employee engagement, wellbeing and retention



## Recommendations for partners

- Help SME's build their HR and leadership capability and adopt good working practices
- Inspire, educate and share best practices in talent management
- Put a spotlight on apprenticeships and build employer awareness and understanding
- Combine efforts across delivery partners to broaden the appeal of the sector
- Encourage investment in talent and skills

To view other reports in the series visit [hatsnetwork.co.uk/state-of-the-workforce-2023](https://hatsnetwork.co.uk/state-of-the-workforce-2023)

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