



The Hospitality Industry

> Recruiting & Retention Insights

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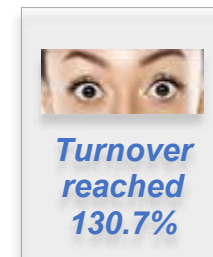
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EXECUTIVE SUMMARY

Everyone's world changed in early 2020 when life-threatening Covid-19 drove the U.S. government to lock down the entire country. Our Society was shattered that day into millions of pieces, with people forced into isolation. The crisis sent industries, markets, businesses, customers, end-users, and employees into a tailspin. An estimated four million hotel and restaurant workers lost their jobs, according to the Wall Street Journal. The future became uncertain, and no one had a clear idea of what happened, why, or what to do.



For business, those in the Hospitality industry have been the hardest hit. The pandemic delivered a devastating blow to an industry already struggling with recruiting, hiring, and keeping workers. According to the Bureau of Labor Statistics, the employee turnover rate reached 130.7 percent in 2020, compared to 78.9 percent in 2019. It is as if Hospitality businesses have a revolving door with more significant numbers of employees going out than candidates coming in. One-third of workers in 2020 were quitting their job after only six months. Some were staying a bit longer, but on average less than half (45%) remained at the same business until their second anniversary.



The good news for hospitality businesses is that states have started reopening in the second half of 2021 as more people become vaccinated. Restaurants have started indoor dining again with limited capacity and plan to expand as states continue loosening restrictions.



But as things return to a new normal, business owners will have to once again, as they did before the pandemic, ask themselves one very critical question.

“Will I have enough employees to handle full capacity?”

It has become a too commonly asked question in the Hospitality industry. Hospitality business owners are realizing they must ask themselves and answer this question. They must also revise or create recruiting and retention strategies and plans to ensure success rather than failure for their future. In June and July of 2021, 75% of operators said recruiting and retaining employees were the top challenges facing their business according to a National Restaurant Association Survey. It is the highest level in nearly 20 years of the Association’s monthly tracking survey.



Some hospitality business owners and leaders have been slow to respond to the pandemic and industry changes. They have the idea and expectation that workers are chomping at the bit to return. But the idea is not a reality according to this year’s forecasts, surveys, and reports. According to a Q2 2021 U.S. Job Market Report that surveyed 30,000 job seekers, half of the hospitality workers refuse to return.

Workers are not returning because they were already not happy before the pandemic. Many hospitality workers are fed up with working in stressful environments and receiving what they perceive as little in return. In the survey, 74% of job seekers indicated they believe employers need to re-evaluate the workplace benefits they offer. Dissatisfaction drivers were in several areas that are list below. Other respondents indicated they just were not interested.

- Work setting (52%)
- Higher pay (45%)
- Better benefits (29%) - healthcare as #1
- More schedule flexibility (19%).



Experts project the gap between the number of hospitality workers needed and employed will become even more significant in coming years. Plus, keeping employees is yet another challenge to overcome. According to the Bureau of Labor Statistics, the Food and Hospitality sector has an annual turnover rate of 73.8%.

Therefore, regardless of the type of Hospitality business, whether it be lodging, food & beverages, recreation, entertainment, health & sports, travel, tourism, events, or something else, future success will depend partly on how successful a business becomes at hiring and retaining employees.

FOREWOOD

The purpose of this eBook is to provide valuable insight for Human Resources Departments and professionals into the hiring process for small to midsize businesses in the Hospitality industry. It also serves as a resource for alternative ideas in strategies, plans, policies, procedures, and approaches to hiring and retaining employees.

DATA COLLECTION

The information presented in this eBook was collected by Charmaine Rose, Ph.D. of Rose Consulting. It is a human resources-based survey with 22 questions distributed to small and midsize businesses in the Hospitality industry. The total number of respondents was 1,700 from many different locations in Florida.

RESPONDENTS PROFILE

The first four questions of the survey collected general data on areas within Hospitality/Tourism, including position, location, and size. The combined data from 1,700 responses are as follows.

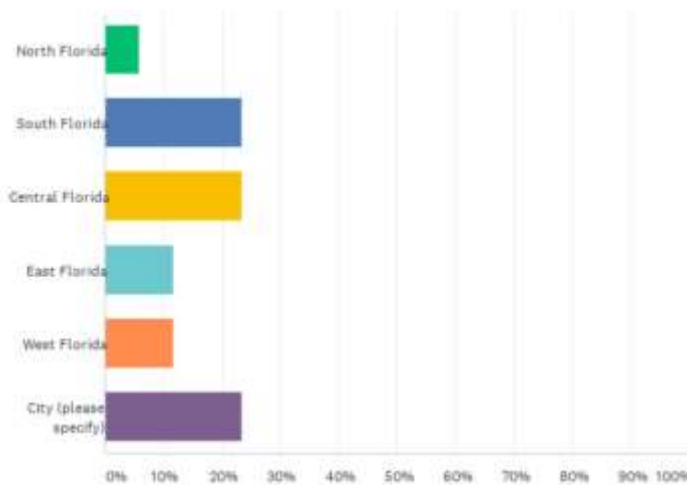
- **Area of Hospitality/Tourism**

The two largest groups represented were Hotel/Motel/Inn/Lodging with 59%, and Restaurant/Bar/Catering with 41%.

- **Position**

- 29% Executive Level
- 29% Managers/Supervisor
- 18% Food & Beverage/Catering
- 12% Housekeeping/Maintenance/Engineering
- 6% Accounting/Marketing/Sales
- 6% Others

- **Florida Location**



- **Business Size**

<u>Percentage</u>	<u>Number of Employees</u>
35%	1 – 5
29%	6 -10
12%	11 – 15
6%	16 – 20
18%	20+

KEY INSIGHTS

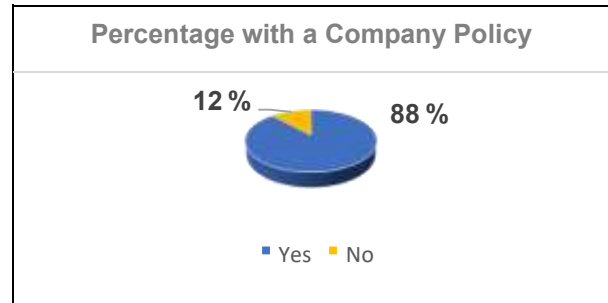
The following section highlights core key insights that surfaced.

Key Insight

Small to midsize businesses need to have a company policy on recruiting and selection

The conclusion can be drawn because 88% of respondents indicated “yes” when asked if they have a company policy.

Why is it important? One reason is that it creates transparency in the hiring process, which is important to today’s Millennials and Gen X, Y, and Z.



Others include:

- Having such a policy leads to consistency, which adds credibility, making it easier to gain interest from better-quality candidates.
- It helps businesses avoid legal issues.
- It also helps with creating more effective job descriptions.

Key Insight

Before anyone is hired, it is crucial to consider internal candidates to boost retention

All respondents indicated it is important to consider internal candidates. There are several reasons why this is important, with the main one being it improves retention of employees. Retention is an area in which businesses in the Hospitality industry are doing poorly.

100%

Other reasons include:

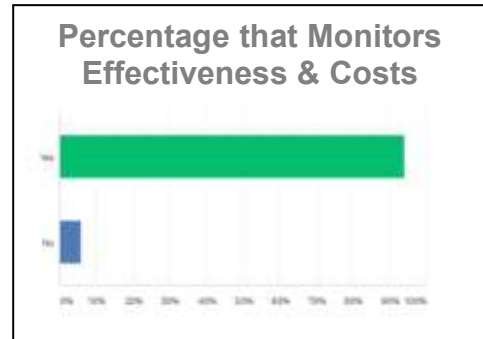
- Employees stay because they have career development and promotion opportunities.

- There is also more internal mobility to move into different positions and learn new things.

Key Insight

It is essential to monitor the effectiveness and costs of recruiting sources

A more significant number of respondents indicated tracking, monitoring, and analyzing the return on investment from recruiting sources was important. It is essential for evaluating a company's recruitment strategy.



Other reasons include:

- It keeps things in check by striking a balance between the amount spent on a vendor and the value gained.
- It creates accountability, ensures money is well spent, and produces acceptable results.
- It can be used for identifying gaps in the recruitment process or performance to determine what needs to be addressed for improvement.

Key Insight

Referrals were the most effective recruiting source

Studies consistently show that employee referrals improve quality-of-hire and retention rates while lowering hiring costs.

Other reasons why are:

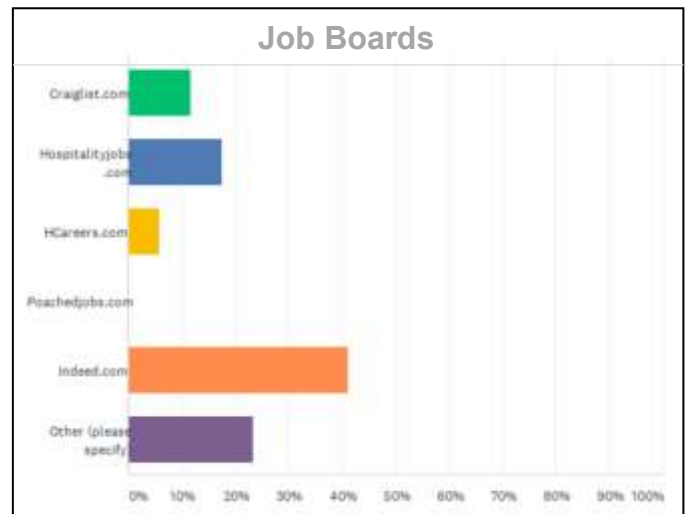
- Leveraging employee relationships and their connections reduce the time and money spent to find and hire candidates.
- Screening is easier with a candidate referred by an employee.
- It maintains company culture and builds engagement.



Key Insight

For the Hospitality industry, Hospitalityjobs.com is the best choice

The best Hospitality-specific job board for the Food Service and Hospitality industry is hospitalityjobs.com. It lists US jobs for all positions at hotels, restaurants, bed & breakfast inns, motels, restaurants, food trucks, cafeterias, buffets, assisted living facilities, retirement communities, golf courses, country clubs, and more.

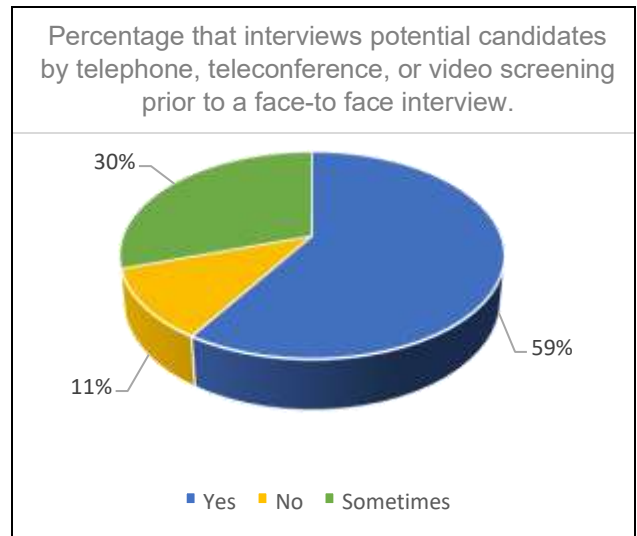


Key Insight

Over half (58%) of respondents conduct initial interviews via telephone, teleconferencing, or video screening.

Conducting an initial interview by phone or video platform can save time and money. It also provides the opportunity to:

- Confirm the candidate meets basic requirements.
- Provide the candidate with more information about the position. It creates an opportunity to get to know the candidate a little before the serious interview.



CONCLUSION

Despite the grim picture painted in the beginning for recruiting, hiring, retaining employees in the Hospitality industry, it does have to be that way. Small to midsize businesses like restaurants, and hotels, can improve their recruiting and retention results by using the insights covered in this eBook.

As you review the key insights in this eBook, compare them with what your business has and is doing. Make an apples-to-apples comparison with your strategies, plans, policies, and procedures. Also, consider the mindsets and drivers of the people involved. They may not align with what will bring the best outcomes.



As you complete the process, you will find gaps that emerge. Everything can be improved and should be part of continuous improvement. Revise, realign or recreate your strategy, plan, way of working to align with the keys insights we have covered. Or you can also create new ones leveraging lessons learned for better results and outcomes.

Also, think about the amount of time and effort you spend on each recruiting source. You may need to reevaluate your sources, approaches, time commitments for each based upon the key insights. For example, you may be spending the most significant percentage of your time placing openings on job boards. However, page nine of this eBook indicates referrals are the best source for quality candidates.



Retention efforts can also follow the same evaluation and refinement path as recruiting. A few key insights you may consider we covered include creating opportunities for career development and potential promotion so people will stay longer at your company.