Sona.

Mapping the Hospitality exit

Why are Hospitality professionals leaving the industry and what you can do to retain them.

CAREER OPPORTUNITIES

WORK-LIFE BALANCE

FLEXIBLE HOURS

Contents

Methodology

We surveyed 1,000 Hospitality leavers between 6th to 10th August 2023:

- All respondents confirmed, during our pre-screening questions, that they left a Hospitality job in the last 12 months.
- Most respondents (80%) have worked in the Hospitality industry for two or more years.
- We surveyed leavers from a range of different-sized companies, including small-to-medium (64%) and enterprise-level companies (16%).
- We contracted an independent third-party research company to conduct our online survey.

Data Breakdown

GENDER AT BIRTH

FEMALE: 59%

MALE: 41%

AGE

- 16 – 17: < 1%
- 18 – 24: 13%
- 25 – 34: 20%
- 35 – 44: 52%
- 45 – 54: 11%
- >54: 4%
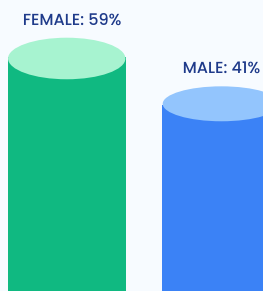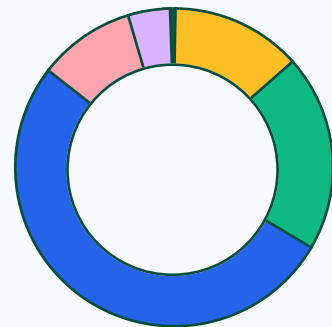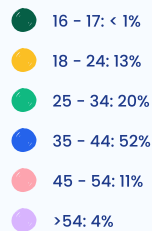
HOSPITALITY SECTOR

HOTEL	RESTAURANT	BAR/PUB	QUICK SERVICE RESTAURANT (QSR)	OTHER
32%	31%	21%	15%	1%

COMPANY SIZE (NUMBER OF EMPLOYEES)

20-50	50-100	100-200	200+
20%	41%	23%	16%

Letter from Karina

The Hospitality industry is experiencing a lot of change. In the last 20 years, I've seen it tackle some difficult challenges and the organisations that managed to overcome them were always those where everyone contributed to the team effort. Therefore, every person matters.

And yet, employees inevitably leave. Understanding why and using that knowledge to build a stronger organisation with better retention is key to achieving sustainable growth.

To help, Sona polled 1000 leavers for this study and set out to answer key questions like:
- Why are people leaving the sector?
- Where are they going?
- What would convince them to return?
- And how can organisations improve retention and attract new employees?

There are so many great new insights in this report, but one that stood out to me was how important growth opportunities are. Attracting and retaining talent means showing people that there is a rewarding long-term path for them.

There is a reason to be optimistic. Hospitality organisations are fully committed to improving the labour situation. *Mapping the Hospitality exit* contributes to this conversation and offers practical insights and solutions that help leadership take action and implement relevant changes to improve efficiency and wellbeing in their organisation.

Sona believes in collaborating closely with our Hospitality customers. We want to know as much as possible about every influencing factor, so that we can be the best tech partner and support their needs. Over the last year, we have consistently built new features and functionality in direct response to feedback and collected insights.

In this report, we will look at the trends seen recently, then highlight how Hospitality organisations can improve recruitment and retention in order to deliver an exceptional customer experience.

Karina Coen
VP of Productivity Solutions
Sona

Why are Hospitality professionals leaving the industry?

With ever increasing living costs, and wages unable to keep up, employees don't have clear visibility of opportunities or that better pay is on the horizon in the sector. They're also not feeling secure in their roles, as so many Hospitality companies have been going into administration. Over a third of survey respondents are transitioning to other industries for that very reason.

With staffing shortages <u>48%</u> higher than pre-pandemic, Hospitality organisations need to address these intersecting challenges if they want to retain their top talent.

Around 80% of survey respondents have two or more years of experience, too. So you're not just losing staff, but knowledgeable and experienced team members, resulting in an inferior customer experience. As this is happening, there is also the time and cost of training replacements up to your desired level of service.

Despite this huge loss, 43% of leavers didn't have an exit interview and 23% had no attempt made at retaining them. That means many managers are missing out on an opportunity to learn from their mistakes or hold onto talent, likely because they don't have time to set up and follow a formal exit process.

Unfortunately, there's a cultural stigma that Hospitality jobs are merely stop-gap career options. This has likely shaped how employees and corporate leaders perceive the industry. In reality, the Hospitality sector offers plenty of potential for growth, skills development, and career stability.

"Because people see it as a stop-gap career, you're getting a lot of students that are highly intelligent and that you could really harness and showcase how they could develop those skills they've got or that they're already starting to show interest in and show them how they can be applied to a career in Hospitality. I just don't think that we showcase enough career opportunities. I would've had no idea that I could've ended up as an HR Manager, essentially Head of People."

Hannah Swarbrick-Done,
HR Manager at East Coast Concepts

Business owners, executives, investors, and stakeholders can change this perception by celebrating career success within their organisations wherever possible. Showcasing examples of progression at different levels will create visibility for employees about what they could achieve.

Investing in workforce management technology can be the first step to giving managers more time to focus on career development and recognition. It helps managers reduce their administrative workloads and communicate with their teams more easily, freeing them up for important career conversations.

Learn more: Hannah Swarbrick-Done from East Coast Concepts joins our webinar to discuss Closing the gap: Strategies for workforce retention in Hospitality

✦ What's pushing experienced employees out the door?

1. Pay was too low	20%
2. Lack of growth opportunities	19%
3. I wanted to work in another industry	14%
4. Poor work-life balance	11%
5. Toxic or unhealthy work environment	10%
6. Not enough recognition	10%
7. Lack of flexibility	8%
8. The role was a bad fit for my skills	7%

✦ Hospitality professionals are prioritising flexibility and work-life balance

Compounding low pay, Hospitality professionals have faced increased work-life balance issues and difficult working conditions due to insufficient staffing. The skills they're acquiring to compensate for understaffing aren't translating into promotion opportunities.

What's more, they might not be getting the encouragement or recognition they need from management to cope with these conditions. That's most likely because managers are also having to adjust. They are now having to work in a market that has reached saturation, which combined with cost pressures, is creating more tension across all control areas and service delivery. This results in important tasks, such as recognition, falling to the wayside.

Businesses have an opportunity to improve wellbeing and engagement across the organisation by upskilling or reinforcing with managers the importance of recognising the efforts and contributions teams are making. In turn, this makes it easier for them to reward employees. For example, investing in coaching training equips managers to lead and support their direct reports as they build skills and advance their careers. Both managers and employees will benefit from this focus on their development - and feel more valued as a result.

Excluding pay, Hospitality employees are also leaving due to:

1. Lack of career progression
2. Poor work-life balance
3. Toxic or unhealthy work environments
4. Not enough recognition
5. Lack of flexibility

Where are they going?

Former Hospitality professionals are moving to the Health and Social Care, Retail, and Manufacturing sectors. It makes sense, considering that employees accustomed to working directly with guests and patrons in hotels, restaurants, cafes, and bars have the customer care and social skills they need to succeed in other client-facing roles.

HEALTH AND SOCIAL CARE
28%

RETAIL
27%

MANUFACTURING
23%

TRANSPORTATION
15%

OTHER
8%
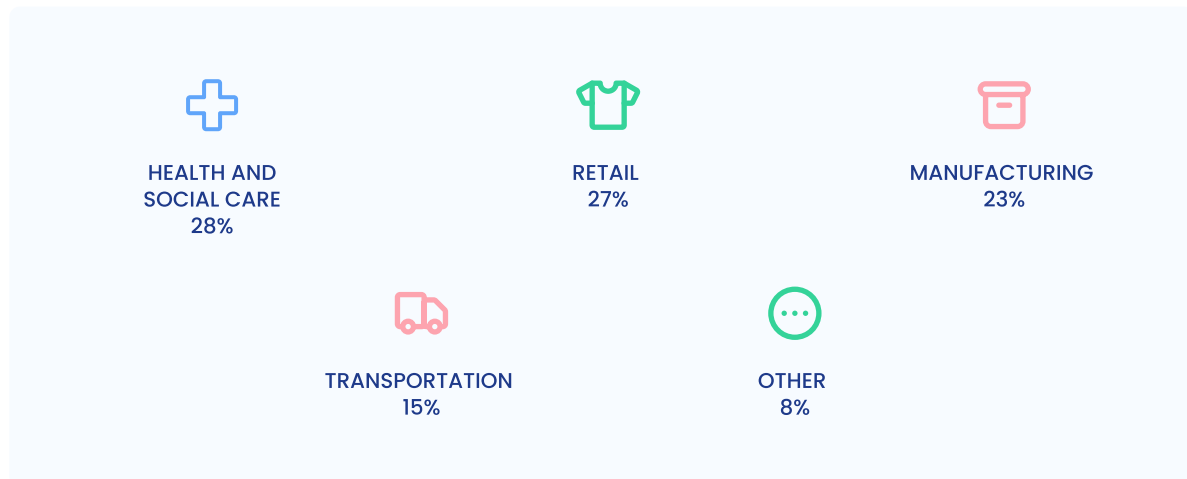
Why they're making the change

1. Attractive pay and benefits	**42%**
2. More growth opportunities	**40%**
3. More work-life balance	**38%**
4. The role better aligns with my skills	**32%**
5. Good employer reputation or opportunity to be part of a new brand	**31%**
6. A peer recommended it to me	**24%**

Beyond pay, employees care about...

1. More growth opportunities
2. Better work-life balance
3. Better role-to-skill alignment
4. Their new employer's reputation
5. The opportunity to be part of a new venture

It's worth noting that seeking opportunities to grow was almost as much of a motivating factor as more attractive pay and benefits.

Offering pay rises and promotions can feel out of reach for many Hospitality organisations, especially during economic uncertainty. But these results suggest that leaders can still retain talent when they focus on more achievable growth opportunities, such as learning and development or reward and recognition schemes.

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Outlook for the Hospitality industry

The good news is that 68% of leavers are open to working in the industry again.

Among those willing to return, 36% would consider it if the Hospitality sector could outperform others regarding pay, benefits, and working conditions. Another 22% would come back part-time.

Due to the vast array of disciplines and specialisations available, from hotel management to culinary arts and event planning, Hospitality attracts individuals from many different backgrounds. It also gives them the space to put their creativity to use and gain exposure to different roles, in addition to a flexible and supportive environment. Not many other industries can compete in these areas.

By highlighting these unique features of the field, allowing people to grow, and creating fulfilling working environments, industry leaders and executives could motivate two out of three leavers to return.

✦ A call for more exit interviews

While the majority (54%) of our respondents said they had an exit interview when they left their Hospitality job, a staggering 46% didn't.

Exit interviews aren't just a formality: They're an opportunity to learn where there are gaps in the workplace culture and what leadership can do to adapt and make any necessary improvements. Not only that, but they're a chance to make the last touchpoint with a valued employee a positive interaction - one that might even make them consider returning one day. To improve the exit experience, organisations can consider:

Conducting exit interviews ahead of an employee's last day.

Post-exit surveys can still be useful, but scheduling an interview will make it easier to have a face-to-face meeting, which can yield higher quality feedback.

Updating their approach and asking the right questions.

If face-to-face isn't an option, offer to interview leavers online or on the phone. Make questions more relevant to current issues around pay, career development, and work-life balance.

Using data from interviews to inform their retention strategies.

Try to close the feedback loop and create repeatable systems for analysing and taking action on survey data.

✦ What would convince them to return?

Those who had an exit interview said:

1. I'd only consider it if the pay, benefits, and working conditions were similar to or better than my current job	38%
2. I would consider returning part-time	26%
3. I'd be unlikely to consider it under any circumstances	21%
4. I'd always consider it	9%
5. I'd never consider it	6%

Respondents who didn't have an exit interview said:

1. I'd only consider it if the pay, benefits, and working conditions were similar to or better than my current job	34%
2. I'd be unlikely to consider it under any circumstances	24%
3. I would consider returning part-time	18%
4. I'd never consider it	13%
5. I'd always consider it	11%

} It turns out that an exit interview can make a huge impact on leavers.

Those who didn't have one are twice as likely to say they wouldn't consider returning than those who did.

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Practical tips for retaining and winning back staff

01 Open up more paths for advancement

It's not that professional growth doesn't exist in the Hospitality industry - quite the opposite. The issue is that career paths aren't clear.

Advancement at the entry level is often straightforward: In a hotel or restaurant, servers, cleaners, and front-desk teams can work their way up to become supervisors and middle managers. Some people will move from venue roles to senior roles, in the organisation's head office. A lot of highly educated people will also be coming to Hospitality as university leavers and end up loving and looking to stay in the sector long term. How do you unearth this hidden talent and make career opportunities transparent to them?

At this point, many Hospitality businesses need to invest in the skills development tools necessary for professionals to move into more senior roles or make lateral transitions. Spotting these high-performing employees and supporting them is key to retaining them.

Hospitality businesses today can use technology that gives them in-depth insights into employee performance. Workforce management software like Sona allows users to gather employee feedback, monitor whether they're meeting performance targets, and identify employees at risk of leaving. That way, leaders and managers can swiftly pinpoint skills gaps and design training programs they need to address them.

02 Give workflows and communication a modern update

We asked employees how their previous Hospitality employer shared their schedules with them, and only 27% of respondents said they used a work-specific application.

26% of employees said they received a printed rota for each week and 14% said they received a phone call, making it difficult for managers to update the schedule and for employees to coordinate shift trades, claim open slots, and find cover when the unexpected happens.

17% of respondents said their employer shared the schedule on a social media messaging app. That's a problem because it inhibits work-life balance and it encourages managers to use communications products which the organisation doesn't own and can't track easily. Employees who use social media apps to relax and stay in touch with family and friends feel like they 'still have work,' even during off hours.

Another issue: 59% of those surveyed reported that their manager needed to be actively involved in helping them pick up extra shifts, and 18% said they couldn't pick up extra work at all.

In response, Hospitality organisations can improve their communication and rota processes altogether, so employees can pick up more shifts easily and avoid using personal messaging apps. For example, giving employees access to a functional mobile app where they can see their schedule, pick up shifts, and request leave all in one place.

This helps reduce staffing headaches for managers and even increase retention rates. And when managers don't have to worry about chasing employees down to fill open hours, they have more time to focus on core tasks, plus employee development and wellbeing.

03 Support managers to share schedules with more notice

Imagine that it's Tuesday and you still don't have your schedule for Friday. There's no way to plan your personal priorities more than a few days ahead of time, skewing your work-life balance in the wrong direction.

That's the case for most Hospitality professionals.

33%
SCHEDULE
2-5 DAYS IN
ADVANCE

21%
SCHEDULE
1-2 DAYS IN
ADVANCE
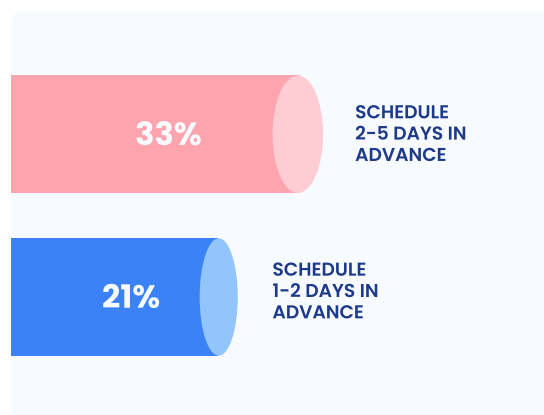
33% of our survey respondents said they get their schedule two to five days in advance, and a surprising **21%** said they only get it a day or two before work.

Managers are not to blame: They're just as busy as the teams they manage and often don't have the time or resources to make schedules ahead of time. They need support from senior leaders to update scheduling policies and make the process easier with automated tools.

For example, if you have an employee management platform with dynamic templates, managers can build schedules in minutes. They can also bulk-assign shifts based on previous patterns, saving them the headache of repopulating fields manually every time.

04 Give managers the chance to lead

The availability of management opportunities is a definite plus for many Hospitality employees. However, circumstances can drive an employee into a manager's position before they've necessarily acquired the skills to succeed in the role. Once on the job, it can be difficult to find the extra time for leadership training or coaching.

Time-consuming and urgent administrative tasks can pull managers' focus. They spend most of their time creating schedules, finding people to cover shifts, preparing for payroll, and recruiting new employees to replace the leavers. At the same time, they're also having to be more hands-on than ever, and even fill in for cover if necessary. Instead of being proactive, they're constantly putting out fires.

> **Using technology to reduce the amount of time spent on admin allows managers to focus on more strategic goals around recruitment, customer service, and operational efficiency.**

Still, managers need personalised leadership training so they can become better at supporting their teams.

Investing in learning opportunities for managers can help them become more effective coaches and mentors, in turn, which contributes to an organisation's efficiency. You can also provide access to personal development resources like learning management systems, pre-curated training content, and coaching sessions with senior managers, so they can build the skills they need to advance.

04 Provide teams with more flexibility

Flexibility means that employees have control over their schedules and can build work around their personal lives. That's hard for many Hospitality businesses to manage under current constraints.

An ideal scenario is that managers have the ability to assign their full-time team members 70% to 80% of their shifts, allowing employees to fill the rest of their hours from a roster of open shifts. If they have difficulty covering all shifts, they can incentivise people with bonuses, extra paid time off, or growth opportunities. They can also provide more cross-training to ensure everyone has the skills to handle different roles.

Implementing flexible scheduling doesn't need to be a major distraction. For instance, Sona has a built-in 'shifts marketplace' that allows you to post a regular roster of open shifts for employees to claim.
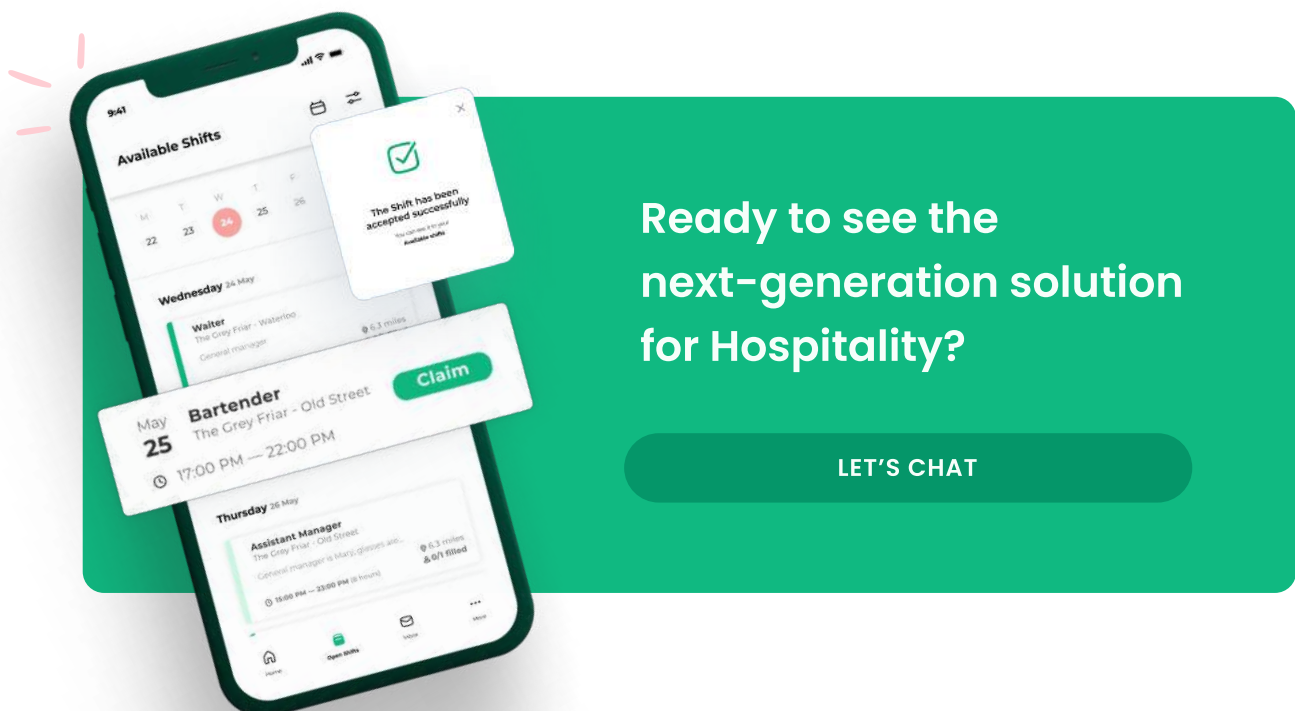
Built to boost retention

Backed by Google's Gradient Ventures, Sona is the next-generation workforce management solution committed to helping Hospitality leaders address many of the staffing and operational challenges this report covers.

Sona's modular all-in-one platform helps you consolidate your products in one solution.

☁ Operations Cloud

All the workforce operations tools you need to run your business effeciently.

📅	Scheduling
🕐	Time & Attendance
📈	Shift filler
£	Forecasting
✨	Auto-scheduling
🏢	Agency management

☁ HR Cloud

HR built for frontline teams, integrated with your schedule and payroll

👥	HR & Employee Records
📄	Documents
✏	Custom Forms
👤	ATS & Recruitment
🔄	LMS
🪪	Talent mgmt & Performance

☁ Engagement Cloud

Delight and engage your workforce with consumer grade tech

💬	Instant Messaging
📱	Newsfeed
❤	Wellbeing
👥	Directory
🗂	Intranet/Sharepoint
👎	Pulse Surveys

☁ Finance Cloud

Ensure your financial and payroll operations are running efficiently

£	Payroll Software
💼	Payroll Bureau
🧮	Payroll Calculations Engine
🖥	EWS

◉ Now   ◉ Roadmap

Sona combines the functionality you expect from any workforce management software - including Scheduling, Time & Attendance, HR and Payroll - with dedicated features to empower staff and solve the unique challenges of Hospitality, all on one easy to use platform.

Ready to see the next-generation solution for Hospitality?

LET'S CHAT

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