

Workforce in the hospitality and restaurants industry

Transcript

00:00:07:15 - 00:00:29:07

ANGELA NALWA:

I am Angela Nalwa and I lead our HR Transformation Solution at Grant Thornton. I'm fortunate to be joined here with Alex Rhodes who leads our Hospitality and Restaurants industry. And we're here to talk to you today about the talent, attraction and retention issues in the industry and some strategies to mitigate the retention problems.

00:00:32:11 - 00:00:45:09

ALEX RHODES:

Hotel and restaurant job openings are still a major problem after so many workers left the industry for good in 2020. How permanent do you think these losses are and what indications are there that workers may be returning to the business?

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ANGELA NALWA:

It's a great question, Alex. We are still experiencing high turnover in the restaurant and hospitality industry, but filling those open jobs has been on the uptick. So there is some good news offset by the high turnover numbers that have continued.

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ALEX RHODES:

Now, that's correct, Angela. That's what we're seeing, too. We've been following closely along with industry sources, the business press. The National Restaurant Association has put out data tracking this, given the issue and the industry

and one of the things that we have to keep in mind, too, is that we've seen quite a few months of consecutive job growth in the industry. Accommodation and hospitality industry has been adding payroll employees to their payroll. And one thing we have to keep in mind as well is just the sheer size of the employment issue here. According to the National Restaurant Association restaurant payrolls at one point pre-pandemic accounted for about 10% of the U.S. workforce. They are the second largest private sector employer in the country. And so here you have to zoom out a little bit. And I think there's still challenges here with folks returning to the workforce, although we have seen that, that trend improve over the last couple of years or the last couple of months, we're still seeing challenges in the industry. I think the same holds true on the lodging side where we're still a bit below pre-pandemic levels here and challenges still remain. I think there's still some headwinds here with the labor market where, the demand for employees just increases in the summer where you have other, businesses competing for the same employees that might join the hospitality and restaurant industry, including summer camps and other country clubs that open seasonally.

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ANGELA NALWA:

That's right, Alex. As you said, the trends show that growth will continue for hospitality and restaurants. And I think the industry will continue to succeed unless inflation has an impact and dampens the overall state of the economy.

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ALEX RHODES:

Given the challenges that the hospitality and restaurant industries are facing, what are some approaches that leaders in the industry can implement across the employee lifecycle to attract and retain the workers they need, especially hourly workers, given the competition that's out there?

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ANGELA NALWA:

Great question, Alex. I think businesses really need to look to their talent sourcing strategies, maybe looking at high schools, community colleges, associations for a different type of labor in terms of their outreach. Also, we know of one organization that has been fairly successful in bringing employees from outside of the local area through providing transportation to those employees. So just trying to get creative in sourcing your new talent.

00:03:28:22 - 00:04:02:28

ALEX RHODES:

I think that's right, Angela. One thing that's interesting that I've seen in the business press recently as well is that teenage unemployment is at its lowest level in decades. You mentioned kind of sourcing some younger workers and getting creative with transportation. I know one thing that could also present a challenge to that solution is inflation. I think there was one article recently that I saw that there were some concerns among some teenage workers about the cost of gas and that was going to eat into some of the wages that they earned coming into the industry. So we'll have to watch that closely to see what impact that has, if any, on that as a solution for employers.

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ANGELA NALWA:

That's right. And I think, Alex, you know, for that generation as well, but I think all employees, another key element is to really look at onboarding procedures. How do you bring people on and create connections? Everybody's looking for connections with the people that they work with. How do you do introductions across the team? How do you show employees kind of what their part is in the bigger picture? And I think, like I said, across all generations, I think onboarding is going to be critical and doing onboarding in a different way to retaining that talent, which we sometimes see leaving within the first 90 days of joining.

00:04:46:02 - 00:05:09:08

ALEX RHODES:

I know one thing we've touched on recently as potential employees, the demographic of the age group of those entering the workforce here in the hospitality and restaurant industry, given that workers in the hospitality and restaurant industry are well represented by workers under the age of 35, what are some of the ways that employers can successfully draw those younger workers in?

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ANGELA NALWA:

Well, I don't think it'll be a surprise to you to hear me use this word, but flexibility. It's all we're hearing about. I think in this industry in particular, remote work is really not an option for many roles. So the type of flexibility that is being looked at is flexible work hours. Is there a potential to have shifts look a little different and maybe allow employees to have more of a say in the hours that they work and how frequently they work, how many hours a week? I think another really important program that restaurant and hospitality can offer is growth opportunities and being clear about those growth opportunities at the beginning, through the onboarding process, through the hiring process. People really want to know what opportunities they have and what kind of training and upskilling can be offered for employees to move up the chain.

00:06:06:26 - 00:06:55:16

ALEX RHODES:

Absolutely, Angela. I think one thing that is interesting too that I've seen as far as attracting and retaining workers is that I was recently at a hospitality conference and there was a general manager there in the lodging industry that kind of expressed across the chain that she represented, that there was diversity in terms of, even regionally, in terms of, where the challenges were in the workforce. In some markets, it seemed at least that, according to her, that there were some challenges, more in the managerial level, finding those higher-end manager roles in the hospitality industry. And then in others, there's more of a challenge in hourly workers. So I'd imagine for those that are listening to us, there may be some diversity in terms of where those challenges lie. As you mentioned, flexibility is key, especially with those younger workers that have other commitments as well and aren't necessarily going full-time.

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ANGELA NALWA:

Absolutely. And growing some of your newer employees over time into some of those managerial roles can be a great strategy for you, both for retention and for filling those roles.

00:07:06:25 - 00:07:08:00

ALEX RHODES:

Absolutely.

00:07:10:21 - 00:07:25:17

ANGELA NALWA:

What type of upskilling do hospitality and restaurant leaders need to consider providing for their workforce to meet the

consumer preferences for remote interactions and food delivery that are really driving increased use of technology?

00:07:27:16 - 00:09:01:13

ALEX RHODES:

That's a great question, Angela. I think what we've seen over the last year or so with the pandemic is shifting in customer preferences to a large extent. Especially when you look at, the restaurant industry where you look at the proliferation of food delivery options. Essentially, you can get room service to your front door, whether it's in your condo or apartment or your home. And so that increased use of technology in the ordering process, I think, is going to create some opportunities there in the technology space. When you talk about kind of upskilling and kind of flexibility, one of the things we've talked about in terms of attracting and retaining workers is, the idea of flexibility. And I think that's one thing that we've heard, as we've gone to conferences recently, is that especially in the restaurant side, you're kind of streamlining the back of the house and the kitchen and elsewhere where you're not so dependent on different roles within the kitchen. Where you can make the process more simplified or streamlined, where you can have interchanging roles, in the back of the house if one person isn't able to make a shift, you can quickly and easily interchange that with someone else who is available. And same thing if

reducing the risk of employee turnover. If you have a specific role that turns over in the kitchen, you don't want to be stuck not being able to deliver to your customers. And so making those roles interchangeable so that if somebody isn't able to make a shift or somebody decides to leave, that you're able to quickly fill in and not miss a beat there. We continue to see an increased adoption in technology, in the lodging space as well, where you can even bypass the front desk potentially, getting in right to your hotel room just with the use of an app.

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ANGELA NALWA:

That's right. And you know, everything you just said, Alex, plus our own experiences is reflecting really how technology is having a huge impact on how jobs are being performed. So that skill need and the change in skills is going to continue to be a priority. With continuing staff shortages, technology is going to be used through apps and QR codes, etc. to perform the roles that were normally done by staff.

00:09:29:26 - 00:09:44:25

ALEX RHODES:

Thank you, Angela, for joining me here again today to discuss our thoughts on the employment challenges facing the hospitality and restaurant industry today. I hope you all found some of our insights useful and can bring those back and implement those in your respective businesses.



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