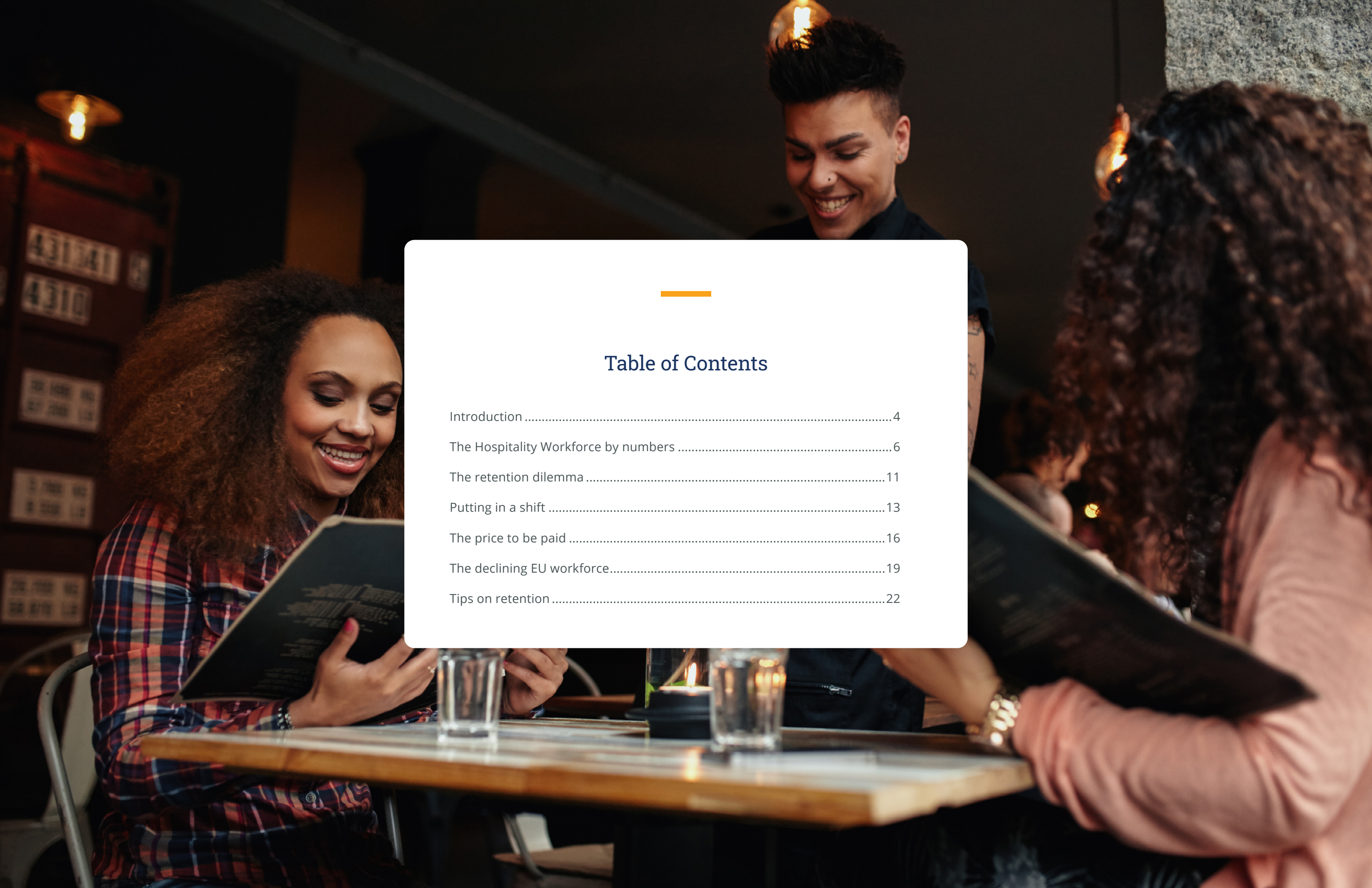




---

# The Hospitality Workforce Report

The value of retaining and developing talent



---

## Table of Contents

Introduction .....	4
The Hospitality Workforce by numbers .....	6
The retention dilemma .....	11
Putting in a shift .....	13
The price to be paid .....	16
The declining EU workforce.....	19
Tips on retention .....	22

# Introduction

As anyone who runs a hospitality business knows, a great deal can change in a short space of time.

When we produced our first Workforce Report in August 2021 the world was a very different place. The industry was emerging from the black hole of lockdowns and periods of zero or highly restricted trade. The furlough scheme was also in its final weeks of operation.

Hospitality is well and truly open now and the size and make-up of the workforce has changed significantly in those 12 months.



But now there are new challenges to confront, such as inflation, supply chain disruption the cost of living crisis, and the recruitment of staff to fill the labour shortage. Perhaps even more vital than attracting potential employees in the first place, is keeping them on board.

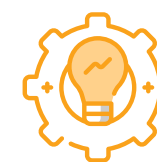
Hospitality has traditionally suffered from high staff turnover, with venues replacing around three-quarters of their teams every year. When you compare this to a UK-wide employee turnover average of around 15% (according to recruitment specialist Monster) the scale of the challenge is clear. But by demonstrating the genuine career prospects available to newcomers and by continuing to develop pathways, hospitality can improve retention rates and spend more time focussing on progression and growth than constant rounds of recruitment. The benefits to this are many, not least in terms of morale, productivity, and continuity but also potentially financially if compensation packages are applicable and roles are advertised.

Technology has an important role to play here for businesses, in terms of building brand perception through effective recruitment, fast onboarding, efficient training, predictable scheduling, and developing a winning culture by establishing a modern platform for employee communications. It can help your costs, communications, efficiencies, and the overall professionalism of your organisation.

Fourth's end-to-end solutions, along with the industry insight in this report, aims to provide support for your business in these challenging times.



**Sebastien Sepierre**  
Managing Director – EMEA  
**Fourth**



*Data in this report is drawn from analysis of more than 700 companies across the UK restaurant, pub and bar, QSR and hotel sectors. Fourth has been collating this data since 2016.*

# The Hospitality Workforce by numbers

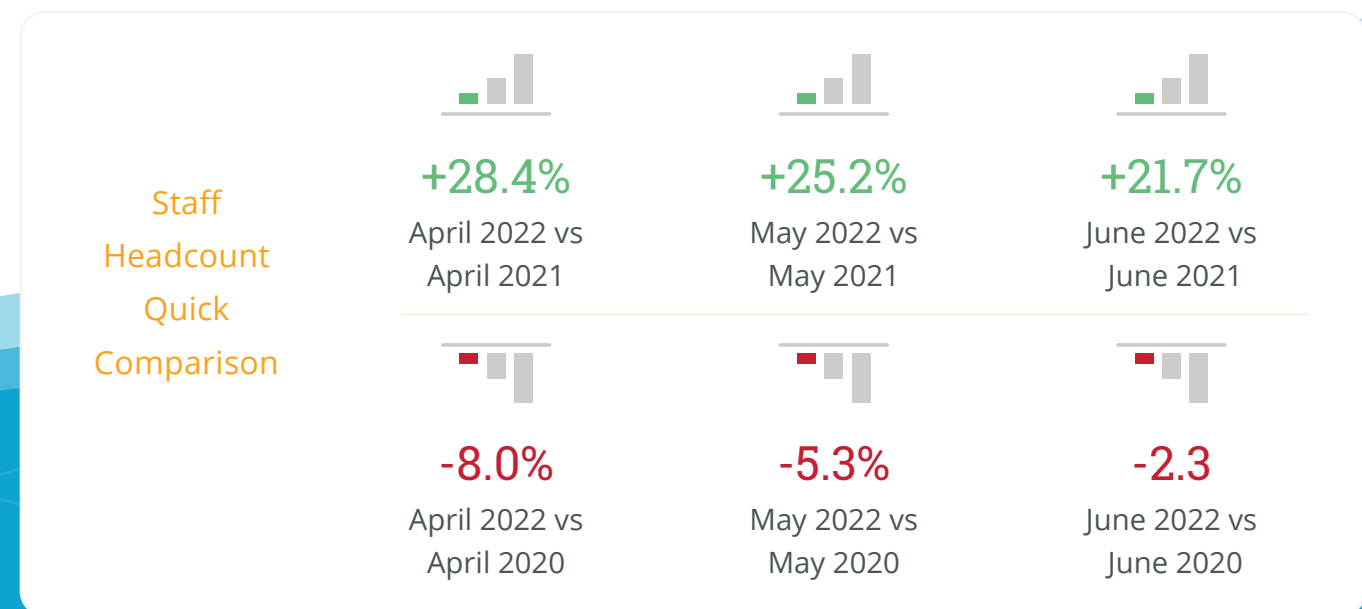
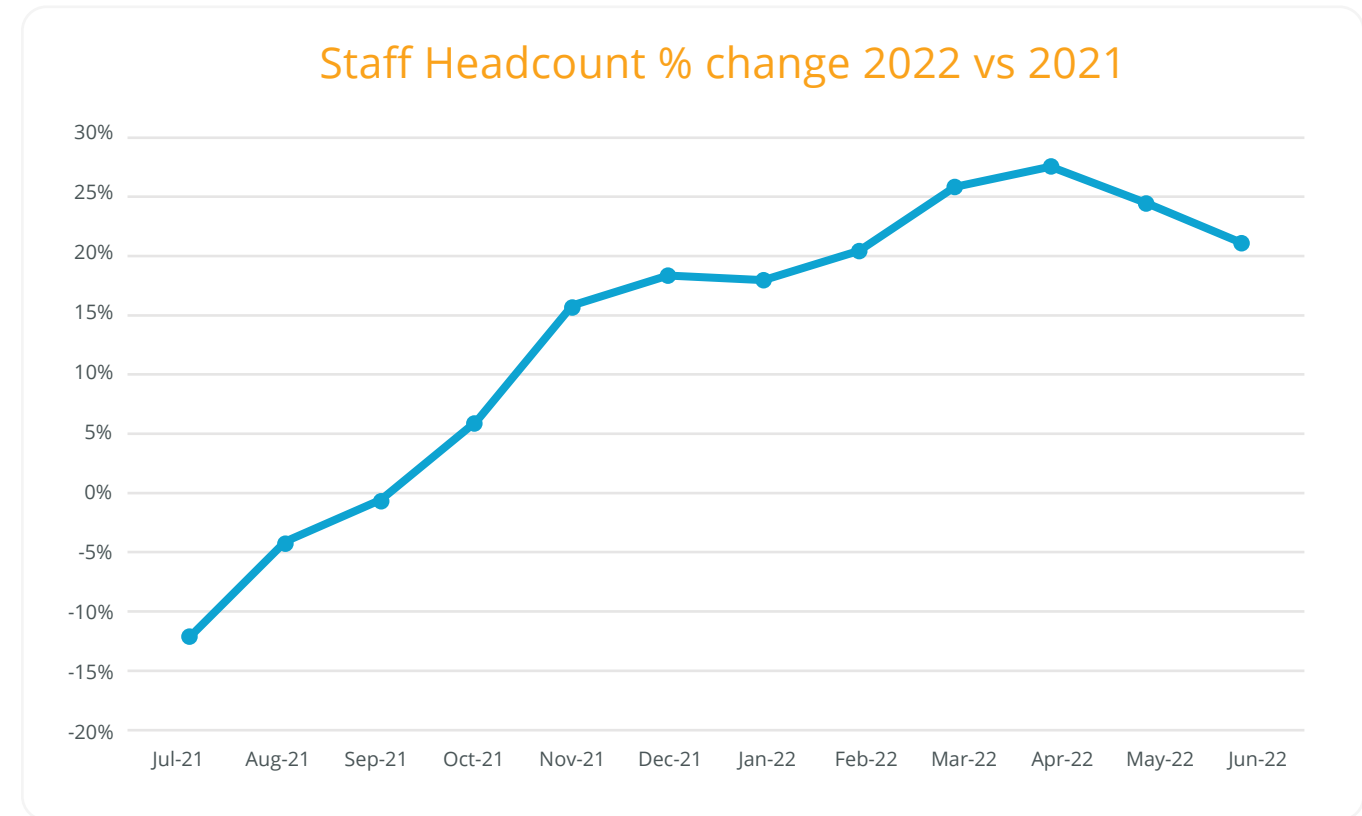
There are now more people working in hospitality than at any time in the last two years. This includes five months of positive growth in overall headcount from February to June. The hospitality headcount in June 2022 is 2% up on May, which was in turn 1% up on April.

Compared to June 2021, the workforce has grown by more than a fifth (21.7%) which highlights how staffing levels are approaching pre-pandemic levels. However, the workforce in June 2022 is still 7.7% lower than in March 2020 (when trading restrictions were introduced) and 2.3% down on June 2020, when the furlough scheme was in place.



And while headcounts are on the up there remain many roles to fill. CGA's Business Confidence Survey (Q2, 2022) indicates that 11% of roles are currently vacant – up from 9% in Q1.

The below graph shows how staff numbers in hospitality have changed compared to the same month a year previously.

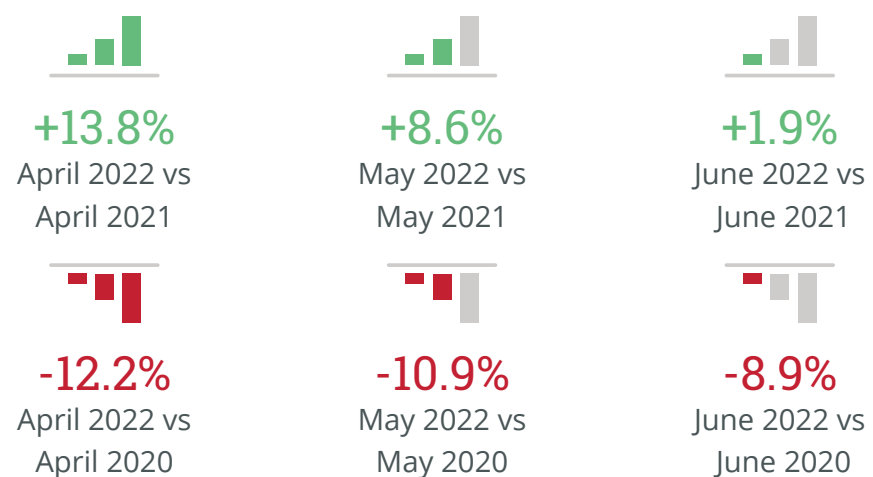


## Headcount by Business Type

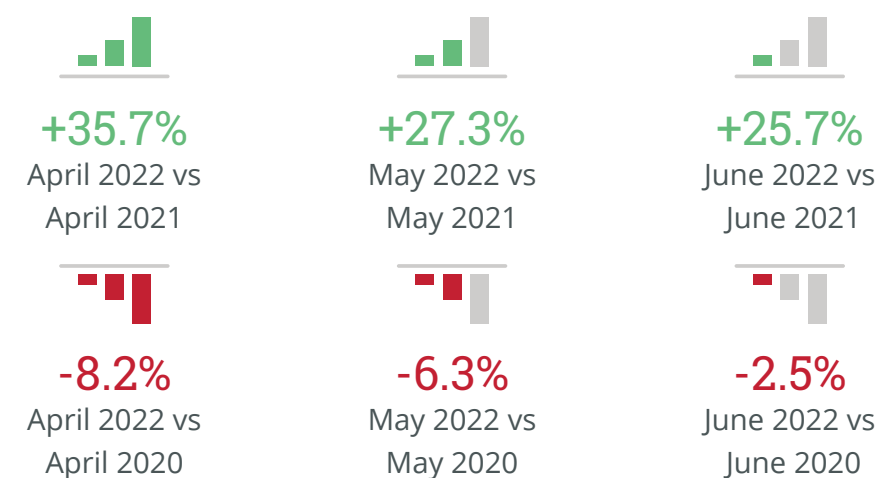
The growth in headcount is evident across all venue types, however some are growing at faster rates than others. Pubs have notably slowed down in this area. The 1.9% staff increase in June is the lowest number in any of the sectors since November. This reflects the pressures pubs are facing. Recent statistics released by real estate consultancy The Altus Group revealed that there are now fewer than 40,000 pubs in the UK – a decrease of 7,000 in 10 years. Pubs may also be impacted by consumer shifts towards premiumisation, whereby customers spend more when they go out but do so less frequently. Pubs also ‘bounced-back’ quicker than other venues after restrictions were lifted, buoyed by summer trading, UK-based holidays, and events such as the Euros. Meanwhile, restaurants, hotels and QSR are all experiencing monthly growth in headcounts of more than 25% compared with 12 months ago. Hotels and QSR are beginning to see staff numbers growing beyond 2020 levels.



### Pubs



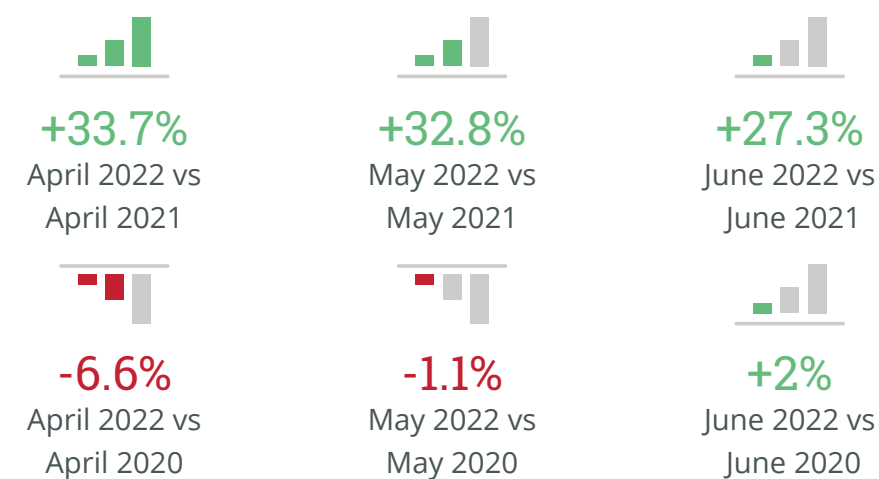
### Restaurants



### QSR



### Hotels



# Starters v Leavers



## Fourth Analytics

Fourth Analytics provides operational transparency and helps you identify opportunities to increase and optimise trading times, align labour with changing sales patterns and highlight your best performing sites. You can select reports by category, location or by time period – allowing you to track performance and identify more opportunities to grow profits.



## Engage

Fourth Engage allows everyone in your organisation to communicate, collaborate and stay more connected to the business. Engaged employees help retention, reduce churn, ensure you have a productive workforce and provide a memorable service

While more workers are joining hospitality each month there are still large numbers leaving across the sector. With around 6% of the workforce moving on each month, businesses are effectively having to replace around 70% of their teams every year. This dwarfs the UK average staff turnover of 15% per year, according to XpertHR figures.

Hospitality has always been a high turnover industry and churn is inevitable. However, continually replacing staff is both time consuming and detrimental to continuity plans.

It has been evident for some time that hospitality needs to be able to market itself more effectively as a viable career option rather than being considered a stop-gap job with poor working conditions, low pay, unsociable hours, and limited prospects. The launch of Hospitality Rising recognises this. The movement, supported by Fourth, aims to unite the industry for a 'game-changing' recruitment campaign.

There are few careers that offer such potential to rise through the ranks quickly and manage or own a business. However, messaging about this opportunity is either not yet landing or there are not enough candidates inclined to pursue them. Retention and development of staff remains a significant challenge to the sector, particularly with labour shortages still a factor. According to CGA, 50% of leaders are confident in their ability to recruit, train and retrain but 22% said they are not confident in this area.

## Percentage of Workforce Leaving Hospitality

	Pubs	Restaurants	QSR	Hotels	Total
June 2022	7.1%	6.4%	6%	5%	5.7%
May 2022	7.2%	6.7%	5.8%	4.9%	5.8%
April 2022	8.4%	7.1%	6%	5.2%	6.3%



### Applicant Tracking System (ATS)

Embracing technology is essential in tackling the labour shortage in hospitality. It can help you recruit and retain the best workers available and drive efficiencies in your processes.

Fourth's ATS provides a company-wide, branded, recruitment service for attracting and finding talent across all online job boards, hiring and onboarding quickly and efficiently, by automating applicant screening, interview stages, applicant communication, and by tracking the entire recruitment process and uploading and sharing employment documentation.

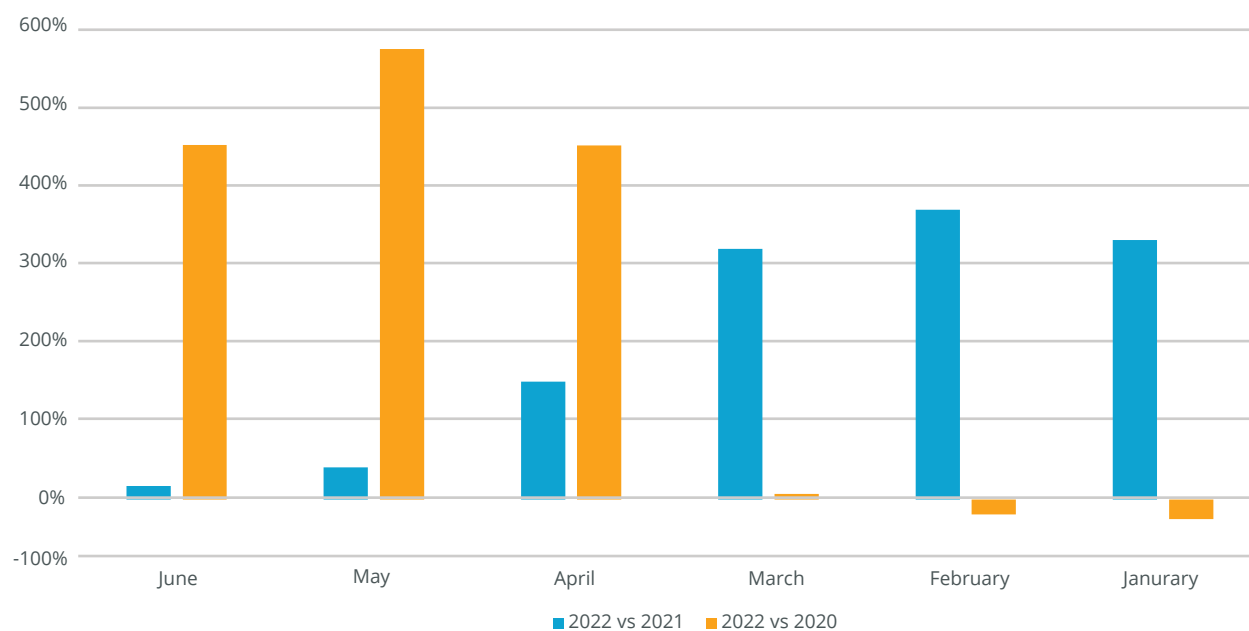
It ensures a smooth journey from a candidate's recruitment to their first shift, with all documents and payroll information uploaded and immersing candidates in the brand from day one.

# Hours worked sector breakdown

Hours are on the up in each sector, but the rate of increase is starting to decline. This is because latest figures for June are being compared to a period a year ago when restrictions were largely lifted. As we have seen in the headcount section, hours worked in pubs is growing at a slower rate than hotels, restaurants and QSR. Hotels are likely to be benefiting from the return of inbound tourism and business travel and events, according to PWC's UK Hotels Forecast. Its research indicates that two-thirds of people will take the same or more holidays this year, which significantly boosts bookings. It forecasts that occupancy rates will be up 25% (to 63%) in the regions versus last year and up by 63.7% (to 56%) in London.

## Hours worked

The collective number of hours being worked across hospitality has gone up every month since April 2021. In the months following the pandemic and the lifting of restrictions, these numbers were initially dramatic. They are now beginning to level out. Broadly speaking, the increase in hours worked correlates with increases in sales.



### Scheduling solution

To meet today's labour challenges, hospitality businesses must cater for the needs of employees while optimising costs. To do this they need to ensure they have the employees required to deliver the service needed to provide their customers with an optimal experience, all while making profit. While providing employees with reliable schedules with the flexibility to adapt their shifts in real-time to achieve a healthy work-life balance.

The Fourth Scheduling Solution matches available staff with the hours you need covered by allowing managers to base staffing decisions on key variables, such as historical and recent sales trends, and demand factors such as the weather and local events. It gives managers the ability to adjust rotas to demand by engaging staff through a mobile app and by tracking employee work hours, lieu, and sick days in real-time.

The user can see how many team members are needed in every area for each 15 minute period of the day. It's easy to use and provides HR and payroll fully costed wage forecasting and a complete view of employee work patterns across multiple sites.

# Hours worked sector breakdown



**Pubs**



**+214.5%**  
April 2022 vs  
April 2021



**+29.4%**  
May 2022 vs  
May 2021



**+0.7%**  
June 2022 vs  
June 2021



**+525%**  
April 2022 vs  
April 2020



**+2,497.9%**  
May 2022 vs  
May 2020



**+1,079%**  
June 2022 vs  
June 2020



**QSR**



**+63%**  
April 2022 vs  
April 2021



**+36.2%**  
May 2022 vs  
May 2021



**+25.8%**  
June 2022 vs  
June 2021



**+578.9%**  
April 2022 vs  
April 2020



**+389.9%**  
May 2022 vs  
May 2020




**+216.5%**  
June 2022 vs  
June 2020



**Restaurants**



**+164.2%**  
April 2022 vs  
April 2021



**+33%**  
May 2022 vs  
May 2021



**+10%**  
June 2022 vs  
June 2021




**+949.8%**  
April 2022 vs  
April 2020




**+1,240%**  
May 2022 vs  
May 2020




**+772.1%**  
June 2022 vs  
June 2020




**Hotels**




**+179.9%**  
April 2022 vs  
April 2021




**+62.5%**  
May 2022 vs  
May 2021




**+34.4%**  
June 2022 vs  
June 2021



**+352%**  
April 2022 vs  
April 2020



**+420.4%**  
May 2022 vs  
May 2020



**+431.9%**  
June 2022 vs  
June 2020



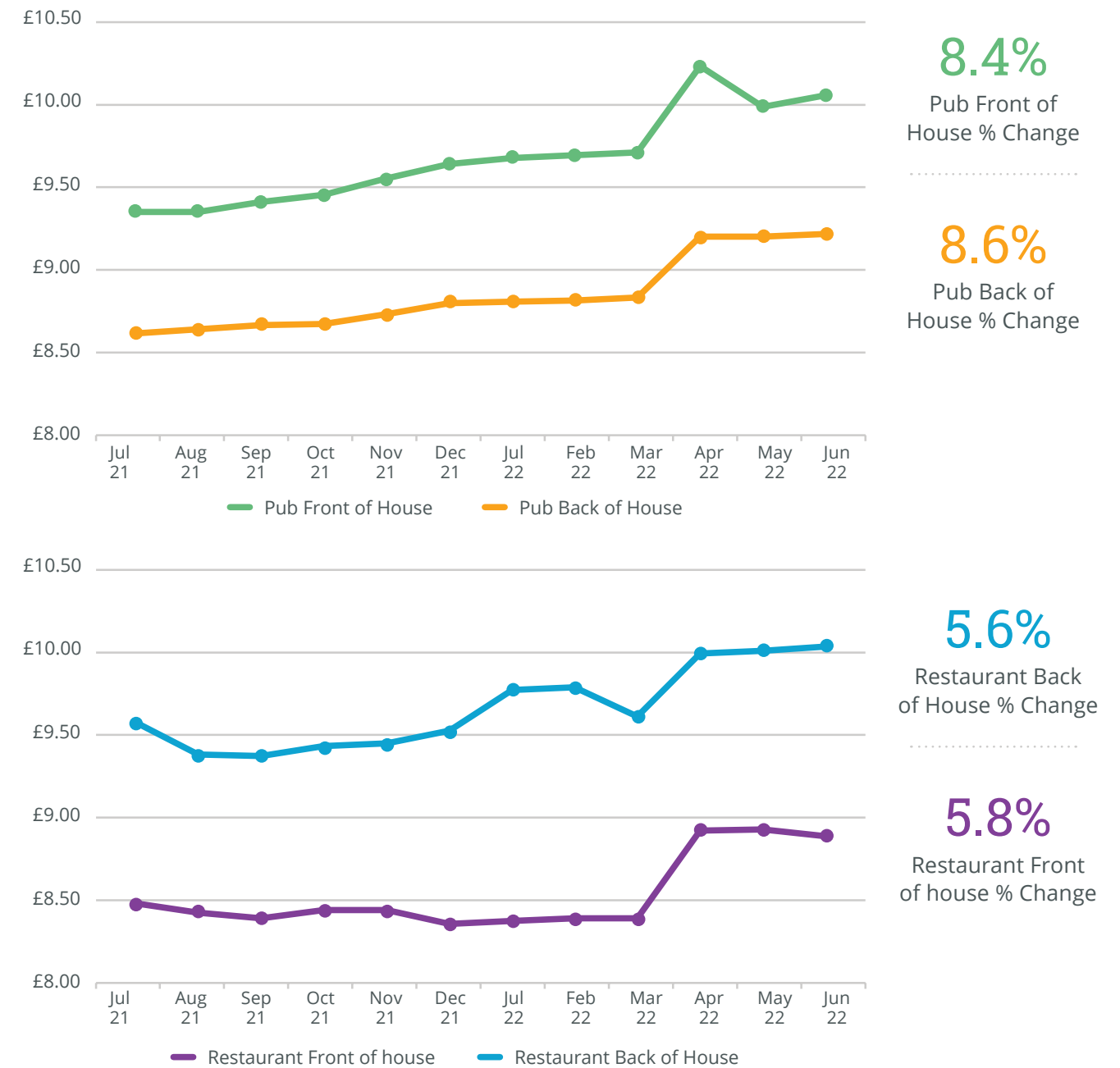
# Pay and wages

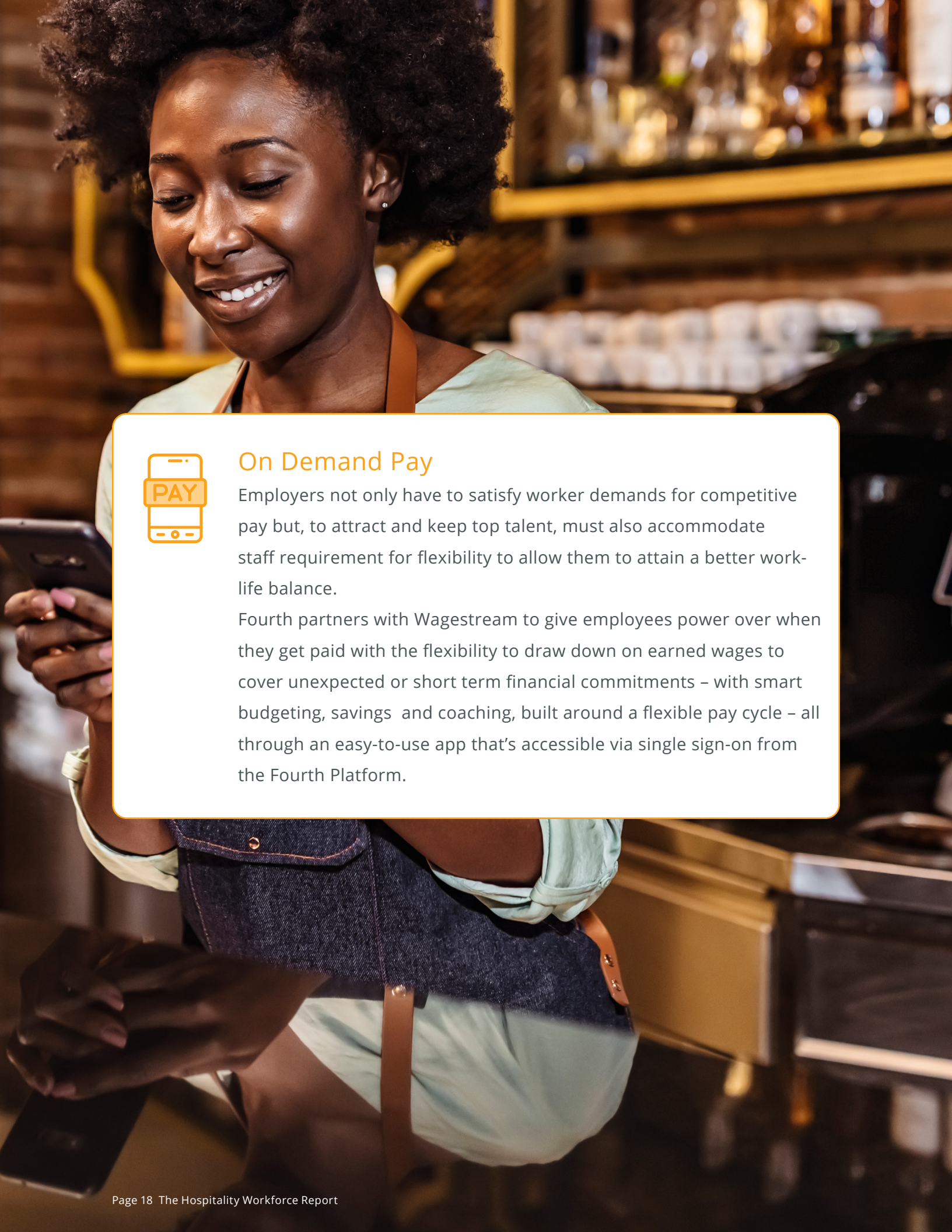
Hourly pay has steadily risen throughout the year. Pub workers are now being paid around 8.5% more than they were 12 months ago, while restaurant workers have seen pay go up by around 6%. Some of this was driven by the introduction of a new living wage in April 2022 of £9.50 per hour for those aged above 23.

However, younger recruits are also feeling the benefit. With employers still needing to fill gaps in workforces, hourly rates have risen. In July 2021, a pub worker aged between 18 and 20 would have earned an average of £7.73 per hour. This was up to £8.71 in June this year – an increase of 98p (12.7%). The same person working in restaurants would have experienced a 10% increase, from £8.74 to £9.61. Back of house roles in both pubs and restaurants continue to demand a higher rate of pay than front of house positions. With recruitment still a major concern and inflation at a 40 year high (9.4% in July 2022) pressure on pay will remain.



## Average Hourly Pay Rates





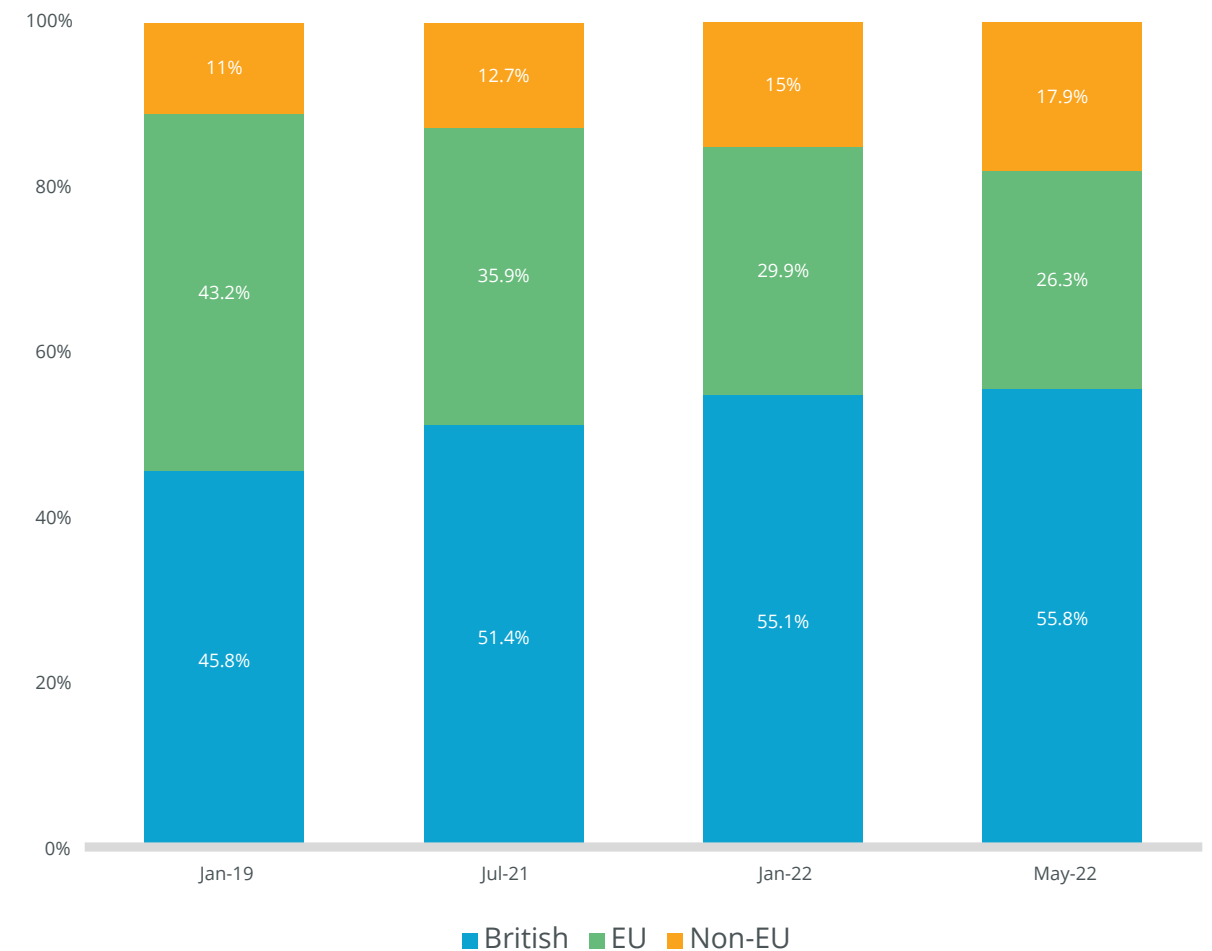
### On Demand Pay

Employers not only have to satisfy worker demands for competitive pay but, to attract and keep top talent, must also accommodate staff requirement for flexibility to allow them to attain a better work-life balance.

Fourth partners with Wagestream to give employees power over when they get paid with the flexibility to draw down on earned wages to cover unexpected or short term financial commitments – with smart budgeting, savings and coaching, built around a flexible pay cycle – all through an easy-to-use app that’s accessible via single sign-on from the Fourth Platform.

# The make-up of the workforce

Since the outbreak of the pandemic and the formalisation of Brexit, the make-up of the workforce has noticeably changed. The number of employees listed as EU nationals has dropped dramatically, with more positions being filled by British and non-EU workers. The increase in British workers taking roles appears to be slowing. In May, Brits accounted for 55.8% of the workforce, up by 0.4% since the start of the year. In that time the proportion of non-EU workers increased by nearly 3%.



## Make-up of the workforce by sector

Pubs have a greater percentage of British employees than other sectors. However, the percentage has barely changed in the last 12 months. Hotels are starting to follow a similar trend. In all sectors, more workers from outside the EU are being recruited. The restaurant workforce was 50% EU in January 2019 – it is now less than a third.

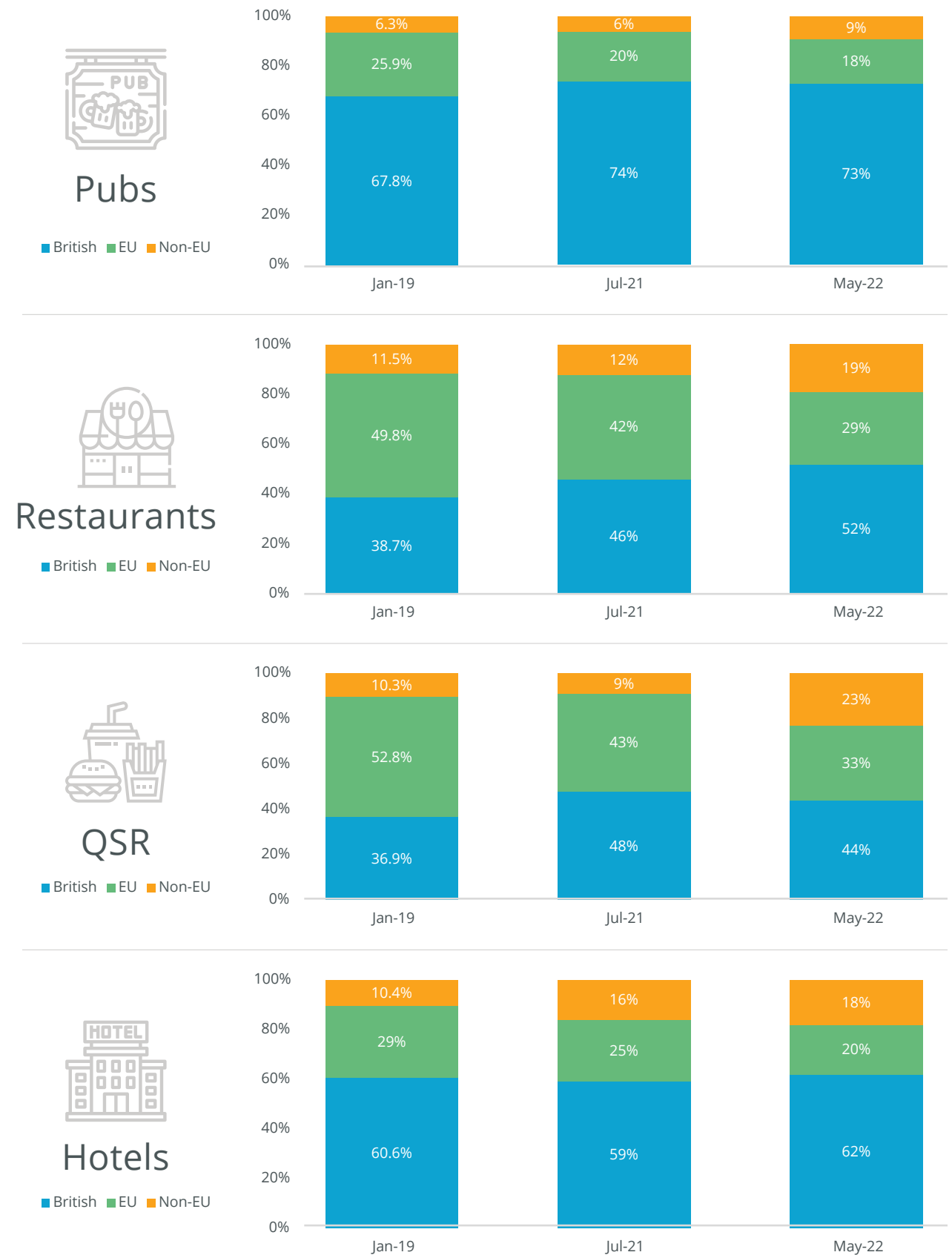


### ATS & Right to work checking

Our Applicant Tracking System ensures eligibility and GDPR compliance with secure right to work checks, all in one intuitive platform.

Fourth's Applicant Tracking System (ATS) can also be a major help to HR teams in finding talent as it allows them to search, filter, screen and manage candidates with a single, intuitive dashboard so everyone knows where they are in the process and what to do next. Applicants are also immersed in company brand and culture from the moment they apply, with fully branded content and communications. Hiring managers can safely decentralise recruitment with access-driven permissions that give them a 'safety net.' Recruiters can quickly show vacancies, streamline the interview process, maintain compliance, and eliminate paper-based processes. It ensures a candidate's journey from recruitment to their first shift is seamless, with all documents and payroll information updated.

## The Make-Up of the Workforce by Sector



# Tips on retention

There has probably never been a more difficult time to recruit in hospitality. This report shows how the nature and make-up of the workforce is evolving and pay demands are increasing in a financially challenging market. Around 11% of positions in hospitality remain vacant and 6% of the workforce move on every month.

It's a serious headache for businesses across the sector. The best way to combat this is by establishing stability and nurturing your team. Here are some ideas on how to retain your talent.



**Pay** | Let's start with the obvious one. According to CGA, pay has gone up in hospitality by 10% in the last year. This report shows how back and front of house workers in restaurants and pubs are demanding more. The rates you pay need to not only be competitive with hospitality rivals but also other sectors, which may not demand the same unsociable hours.



**Culture** | Ok, so staff may be asked to work a little later and at weekends, but this is hospitality so it should also be fun. Creating a culture that staff enjoy and an environment where they feel safe and supported will keep them with you for longer.



**Career Progression** | Enjoying work is one thing, knowing how you can develop and where you can get to is even more vital. If staff can see that progression is attainable and that they are on a clear path, you will be rewarded with loyalty.



**Training** | Whether in-house or provided externally, training shows you value your workers and gives the opportunity to develop their skills, knowledge, and confidence.



**Ideas and decisions** | By getting staff involved in coming up with ideas for the business and empowering them to make decisions you are showing faith and helping them progress. They could be your next managers...



**Managers** | The mantra goes that most people don't leave a job they leave a manager. Focus on recruitment and development here so staff want to work for your leaders.



**Communication and expectations** | Do your staff really know what you want from them? Provide clarity and communicate clearly to maintain their confidence in the business.



**Work-life balance** | One thing lockdowns have shown us is an alternative way of living. Many people have become used to spending more time at home, with family and friends. This is now an expectation that hospitality has to consider when scheduling.



**Ongoing feedback** | You get the most honest feedback from staff when they leave. Strive to get this when they are still with you. Encourage meetings to discuss 'staying' rather than waiting for 'leaving' feedback.



**Technology** | Embrace technology to help your efficiencies, communication platforms and the overall running and professionalism of the business. If you are leading the way in this area you will have a clear advantage over potential rivals.

---

## About Fourth

Fourth provides end-to-end, best-in-class cloud-based solutions for the hospitality, leisure, and retail industries. Its workforce management and inventory management solutions, powered by next generation AI forecasting and a complete data and analytics suite, give businesses the actionable insights they need today to control costs, scale profitability, improve employee engagement, and maintain compliance.

Since its merger with US-based HotSchedules, Fourth serves more than 7,000 customers across 120,000 locations globally.

Fourth works with multi-national companies across the hospitality, leisure, and retail industries, including Leon, Burger King, PizzaExpress, The Ivy, Soho House, Four Seasons, Corinthia Hotels, Travelodge, Jumeirah Hotels & Resorts, The Ritz, Selfridges, Holland & Barrett, TPRG, Fortnum & Mason, The Wentworth Club and Sodexo.

## You have enough to do

Let's get some admin off your plate. To learn how we can help simplify your back office operations, boost your efficiency and profitability, and improve your workforce management, contact us.

+44 (0) 8450 571 234



 Visit [Fourth.com](https://www.fourth.com)