

Tourism Careers: Labour Research

February 2022



Executive Summary

- Fáilte Ireland conducted the most comprehensive research ever undertaken into the tourism and hospitality labour market.
- Major element of Fáilte Ireland's work plan for 2022 is a multifaceted tourism careers strategy to address the staffing and skills crisis in tourism & hospitality including first ever Employer Excellent Programme.
- Current acute staffing and skills shortage one of the greatest barriers to recovery for businesses.
- 1,000 businesses surveyed, 30% face closure if recruitment challenges not resolved.
- 40,000 vacancies with competition from other markets set to become even more fierce
- 3,500 tourism & hospitality employees surveyed.
- Passion for people; flexible hours; long term career prospects all reasons cited as positives of working in the sector.
- Job security; low pay; unsocial hours; work practices cited as negatives of working in sector.

Background & Context

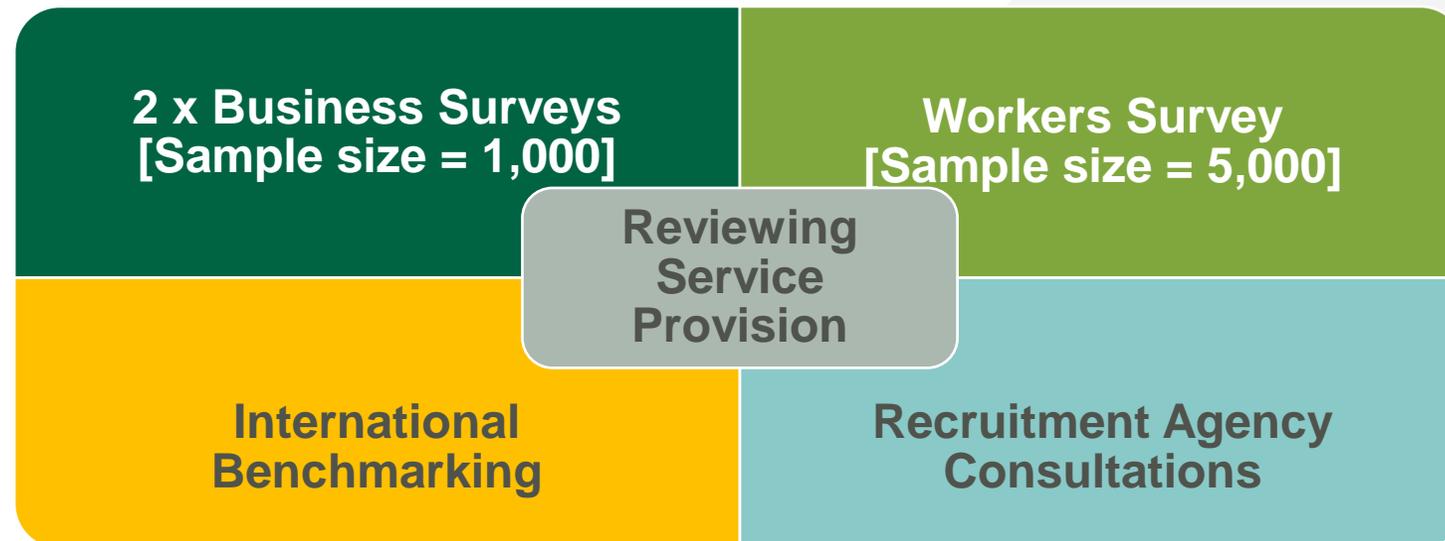


Who did we speak to?

- Views of industry on recruitment, retention & vacancy levels;
 - 2 separate surveys with over 1,000 businesses;
 - Views of 5,000 workers incl. 3,500 with tourism & hospitality experience;
 - International benchmarking;
 - Review level of education provision in tourism and hospitality;
 - Consultation with recruitment agencies.
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Unanticipated fallout from the pandemic

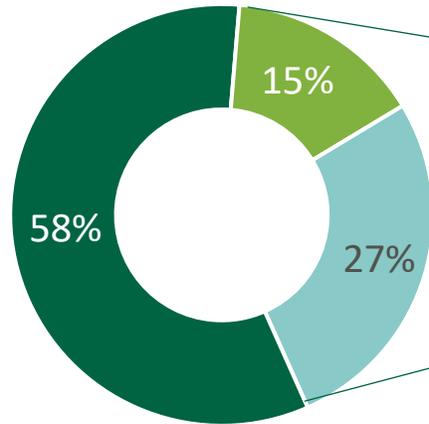
- Recruitment and retention challenges only emerged as the industry re-opened.
- Fáilte Ireland responded quickly by rolling out a **robust and wide-ranging** work programme in **collaboration** with the industry and **Jobs.ie**.
- **Work programmed covered:**



Evolving tourism & hospitality labour market



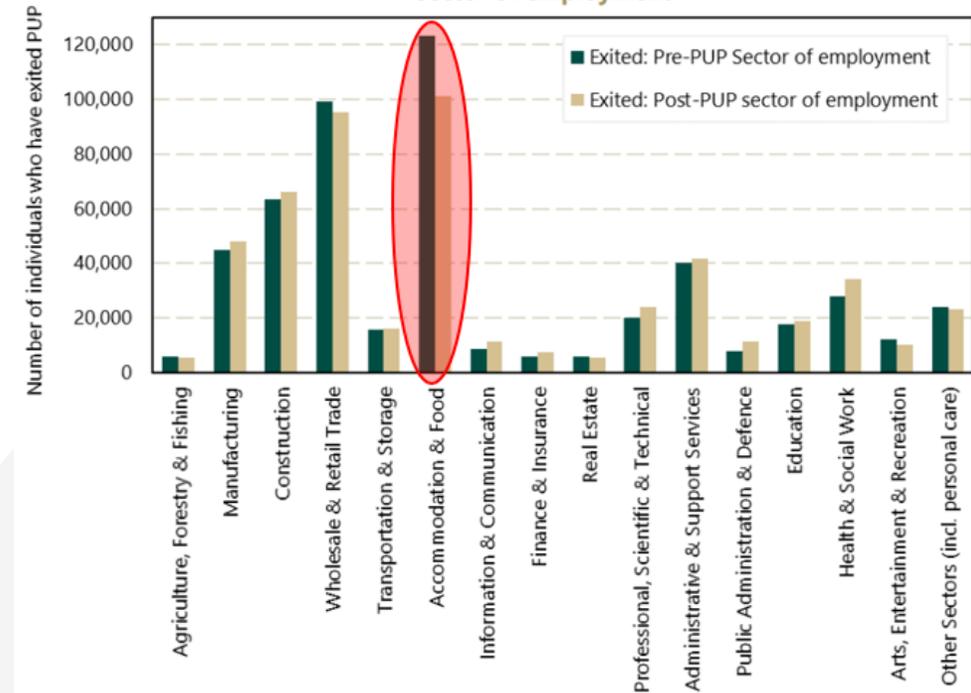
Post PUP Review of Return to Work



Four-in-ten (42%) tourism and hospitality workers on PUP **did not** return to their pre-pandemic employers.

- Return to Previous Employer
- New Employer in Accommodation & Food Sector : 15% (18,500)
- New Employer in New Sector : 27% (33,500)

Number of individuals that have exited PUP by pre- and post-PUP sector of employment*



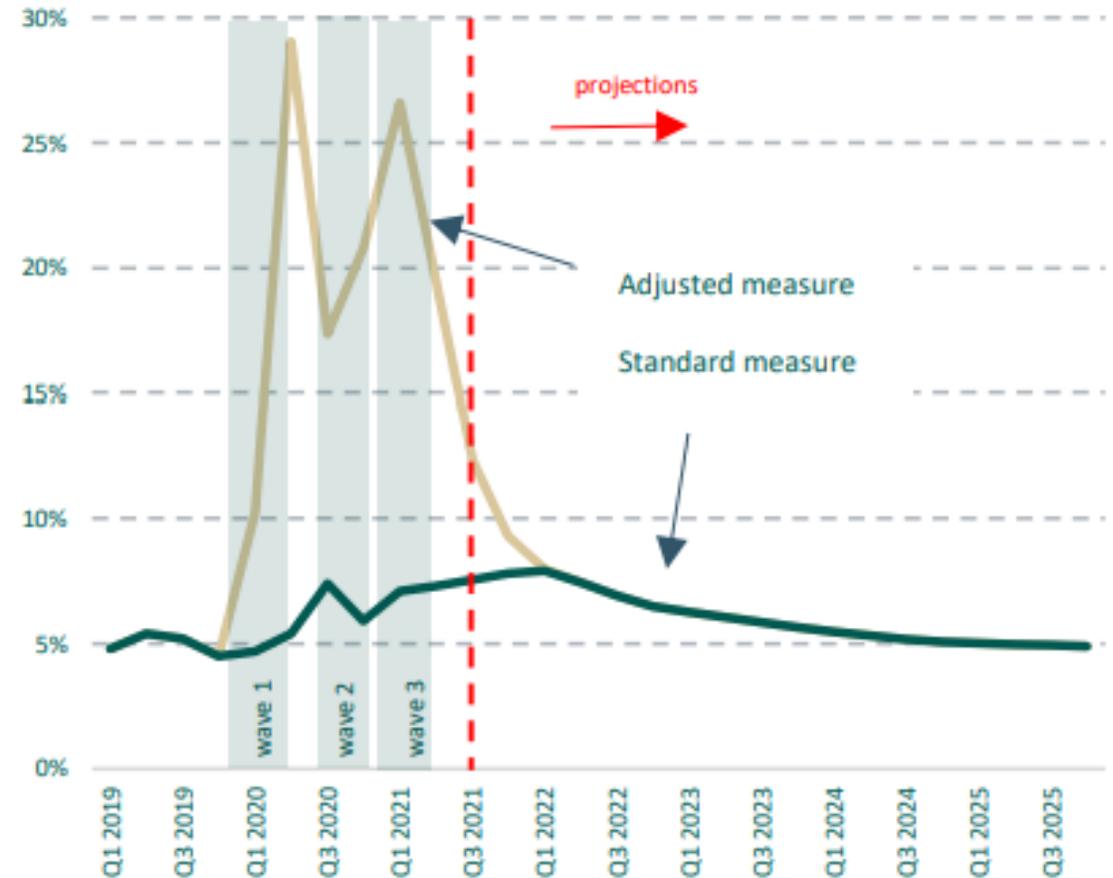
*Exited individuals for which DSP have employment records pre- and post-PUP enrolment.

- In summer 2021 **one-in-three** workers were new to T&H
- Up to **40,000** vacancies and **24%** are at senior level

A Recovering Labour Market

- Employment is back at pre-pandemic levels
- The **unemployment rate** is projected to be just above **6%** by the end of **2022**, before falling to 5%
- **Recruiting and retaining** good people may get even harder
- **Unprecedented mobility** across sectors

Unemployment Rate



Notes: adjusted measure takes into account those on the PUP
Source: Department of Finance.



Industry Views





Industry Survey Sample

Subsector Representation

Hotels / Guesthouses
B&Bs
Caravan / campsites
Attractions
Activity providers
Restaurants
Café
Pubs & Bars
Coach operators
Inbound tour operators
Others

Regional Representation

Dublin
Cork
Galway
Kerry
Donegal
Clare
Mayo
Wicklow
Kilkenny
Limerick
Others



No discernible difference in results from subsector and region

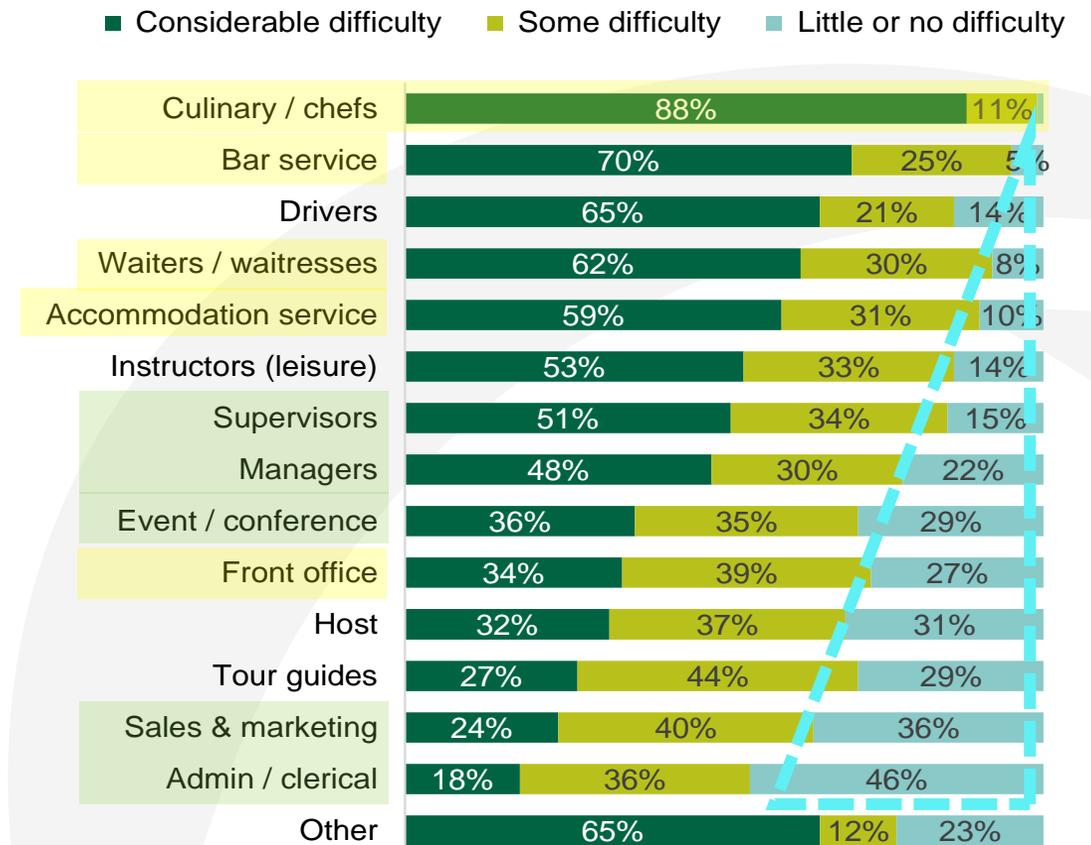


Difficult positions to recruit



- **Chefs stand out as an industry ‘crisis’**, with most (88%) who need them saying they are having ‘considerable difficulty’ recruiting
- **Other positions relating to food & drink service are also very hard to fill** for most employers
- **Drivers** are also in short supply.
- **Wide ranging issues.**

Q6 "Do you currently have any difficulty in recruiting the following types of staff?"

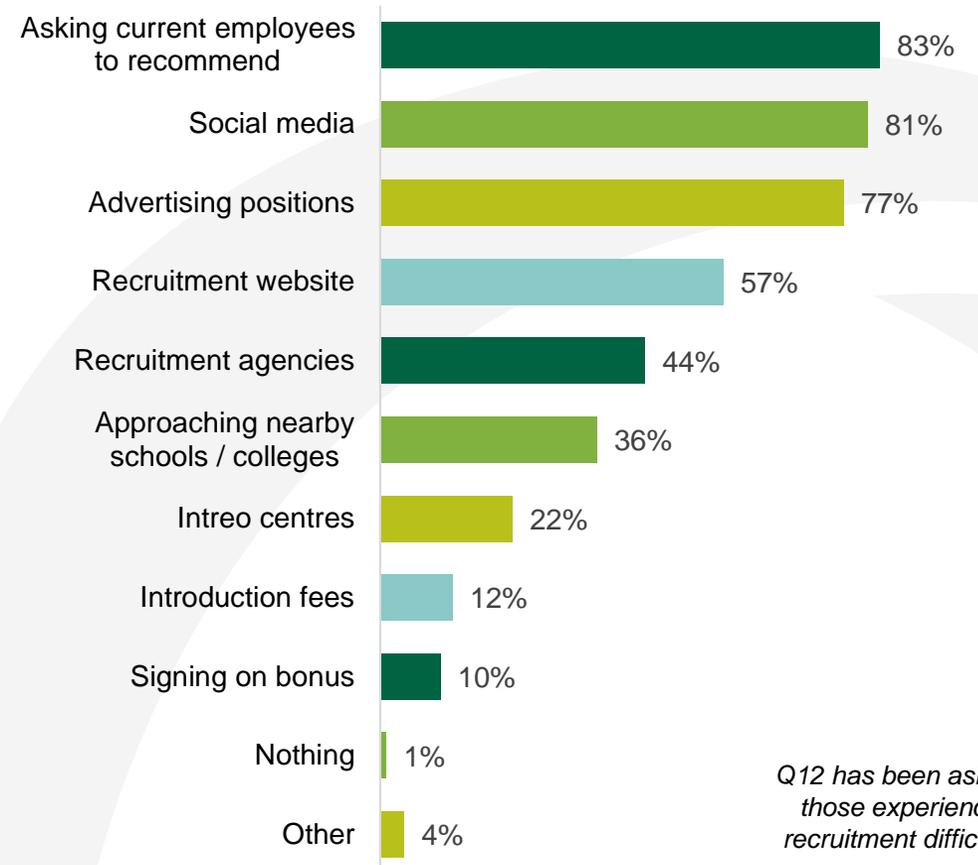




Addressing recruitment challenges

- Employers are looking everywhere possible to fill the positions they need
- Most (83%) are using their existing employees as a possible source for new people
- Some are trying to persuade ex-employees to return

Q12 "What steps, if any, have you taken to address recruitment challenges?"



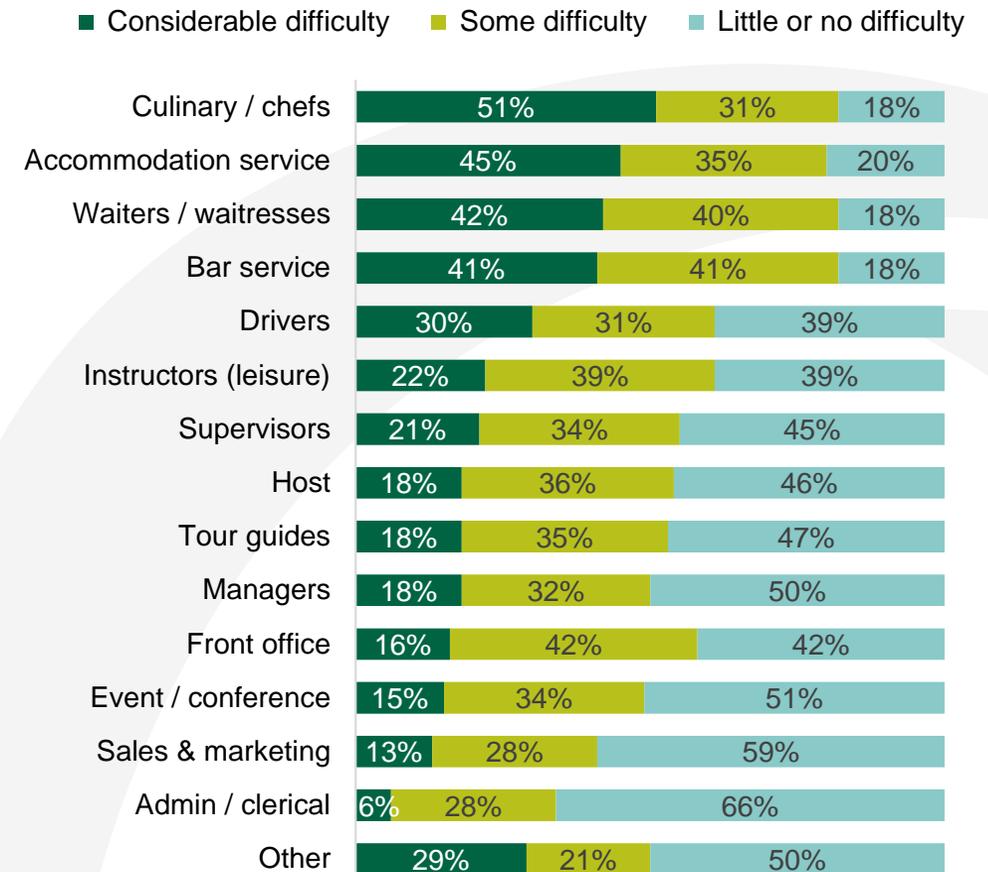
Q12 has been asked to those experiencing recruitment difficulties



Retention difficulties

- Not only are employers struggling to recruit for many positions, but the **staff can be hard to retain too**
- The order of ‘precariousness’ of positions for retention mostly mirrors recruitment – jobs involved in the preparation and serving of food & drink
- As discussed earlier, drivers are hard to recruit, but retaining them is not as difficult

Q13 "Do you currently have any difficulty in retaining the following types of staff?"



Base: variable

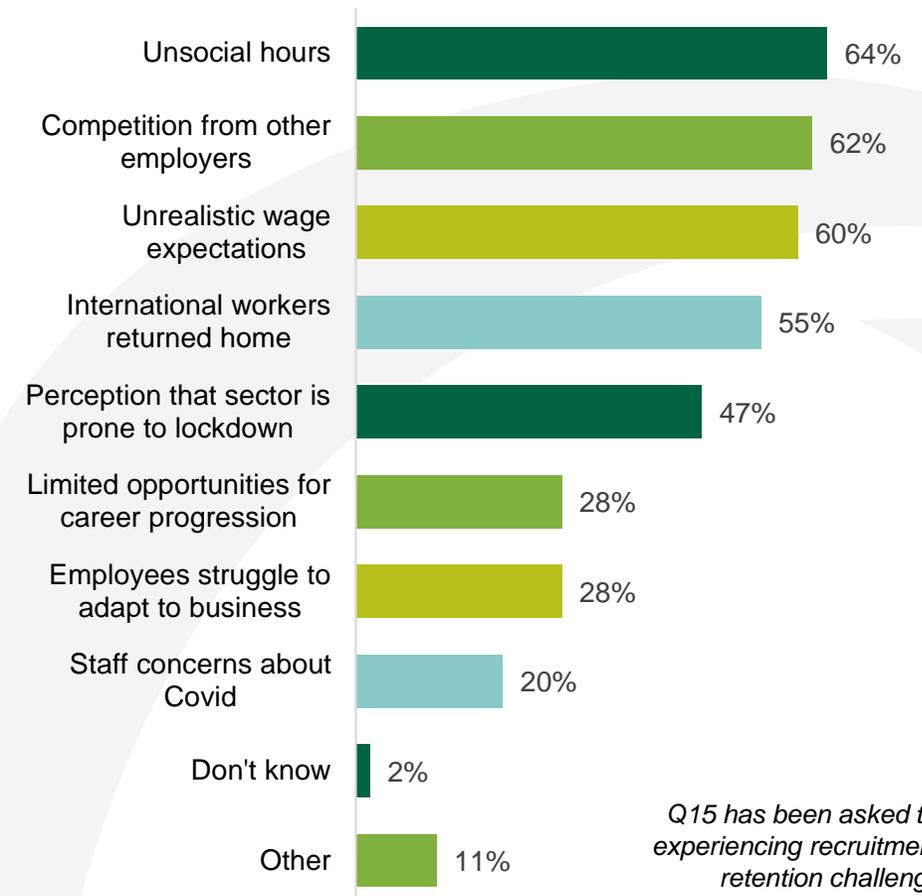
Q13 positions have been routed from answers to Q4



Reasons for challenges

- **‘Unsocial hours’** most frequently mentioned reason (64%)
- **‘Unrealistic wage expectations’** (60%)
- Smaller employers are finding it hard to compete with larger ones on pay
- **Loss of international workers** is particularly hard for:
 - Dublin businesses (71%)
 - Sectors serving food (70%)

Q15 "What are the reasons for your recruitment and/or retention challenges?"



Q15 has been asked to those experiencing recruitment and/or retention challenges



Impact of difficulties if not resolved

- These difficulties are having **significant impact on businesses and people** who work there
- Many owners and their existing staff are **stressed and over-worked**
- Impact is also seen on **customer experience (80%)** and **reducing capacity or trading hours (79%)**.
- A significant proportion (30%) even talk about **closure**

Q16 "What impact would it have on your business if you're unable to find the right staff?"



Q16 has been asked to those experiencing recruitment and/or retention challenges



Workers' Views





Large, robust & representative sample

- Of the 5,000 who took part there were **3,500 respondents from tourism and hospitality (T&H)** covering:
 - all sub-sectors
 - all level
 - all counties and regions
- **54% have 6+ years experience**
- **32% have 1-5 years experience.**

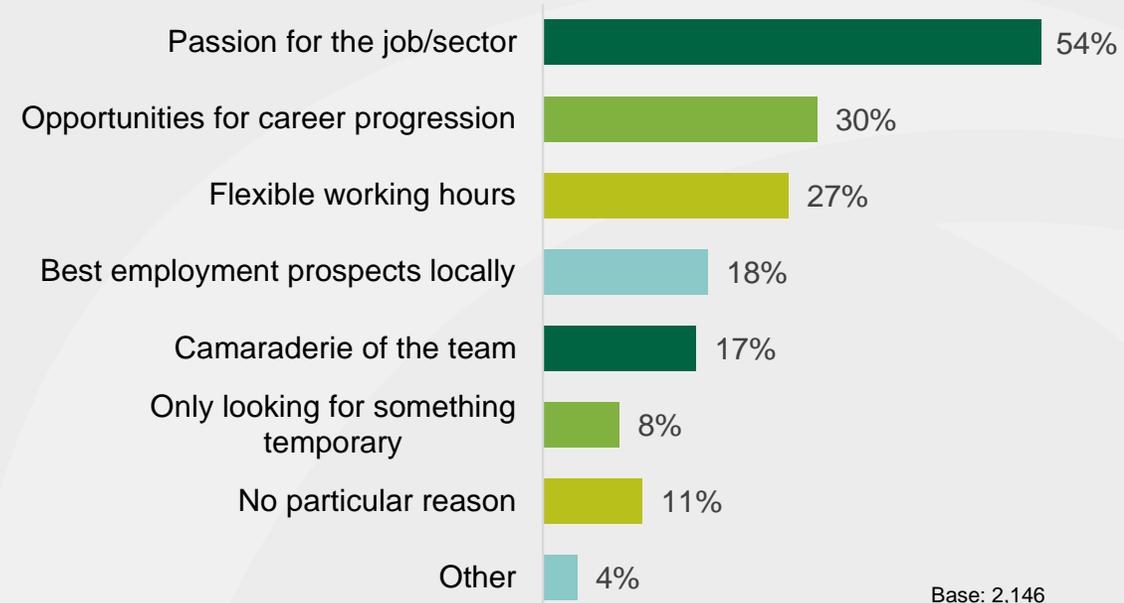




Reasons to work in the sector

- **Passion for a particular skilled job or the sector generally is what keeps many in tourism & hospitality**
- Two thirds (66%) of chefs said this
- Open comments also show that having a passion for people is what motivates them
- Flexible hours is common reason for women (31% say this)

Q9 "Which of these reasons influenced your decision to work / seek work in tourism & hospitality?"



Q9 has been asked to those who are either:

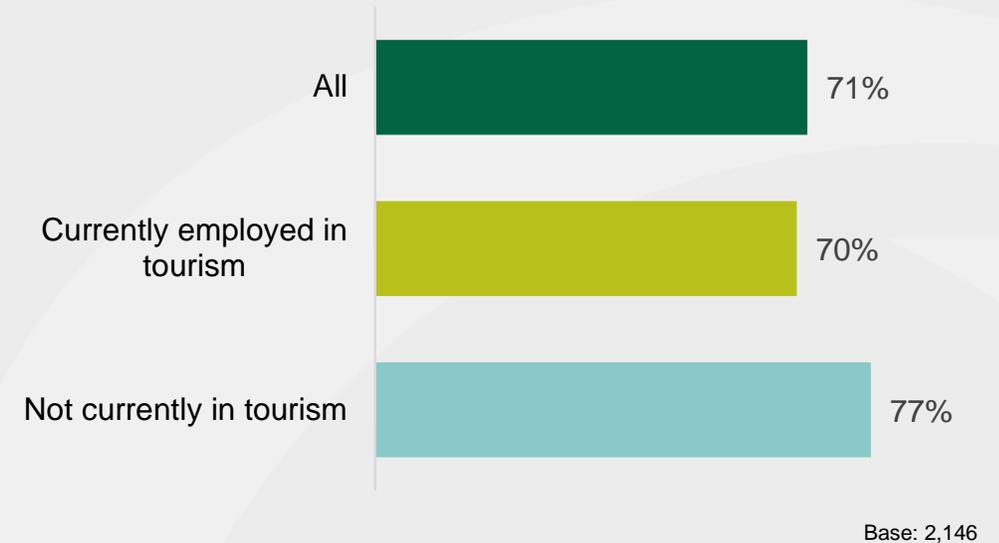
- Working in tourism & hospitality and not looking to leave it
- Not working in tourism & hospitality but looking to join it



A long-term career

- **Majority (71%) see it as long-term career**
- Higher proportions among:
 - Over 35s (79%)
 - Chefs (78%)
 - Men (75%)

Q10 "Do / could you see yourself as having a long-term career in tourism and hospitality?"



Q10 has been asked to those who are either:

- Working in tourism & hospitality and not looking to leave it
- Not working in tourism & hospitality but looking to join it

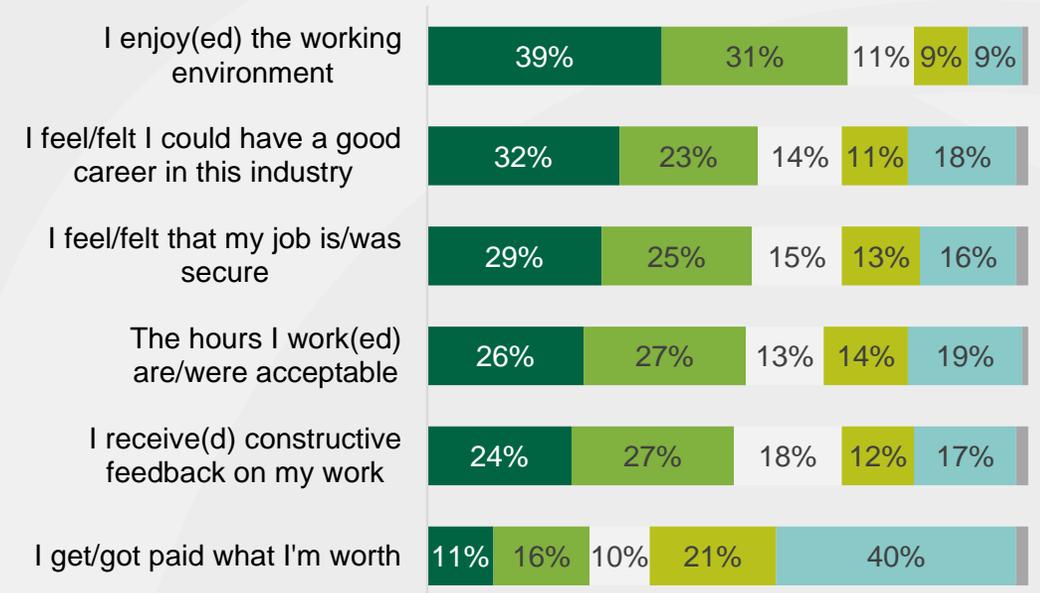


Feelings about working in the sector

- Respondents generally enjoy the working environment in this sector
- But feedback on many other job aspects is mixed
- One third are concerned about job security
- Pay is a source of dissatisfaction

Q19 "How much do you agree or disagree about each of the following statements about your current / most recent job in tourism & hospitality ?"

- Strongly agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Strongly disagree
- Don't know





Some issues around treatment

- **Long and/or unplanned hours**
 - Not getting breaks at peak times
 - Expectations of being ‘on call’ to come in on planned non-working days
 - Can be too hard for parents of young children
- **Condescending **treatment by customer****
- **Unprofessional **treatment by management****
 - Some feel discriminated against by management
 - Conflict can occur when a customer complains. Default assumptions is that the customer is right
 - Little positive feedback



Pay – hourly rate

- **About two in three (64%)** say they are **paid by the hour** in their current / most recent job in the sector
- Around half (52%) of those earn between €10.01 and €12 per hour
- Pay is a **common source of dissatisfaction** in this sector because of what is expected of employees in terms of unsocial hours

Q23 "How much per hour (before tax) are/were you paid in your current / most recent tourism & hospitality role?"



Base: 2,262



Rewards for working unsocial hours

- **Two thirds get some form of compensation for bank holidays, but otherwise unsocial hours are expected**
- This is a significant reason why some no longer want to work in the sector
- Late night shifts can be very hard if then on an early shift the next morning

Q18 "Do/did you receive extra payment or time off for working ... ?"



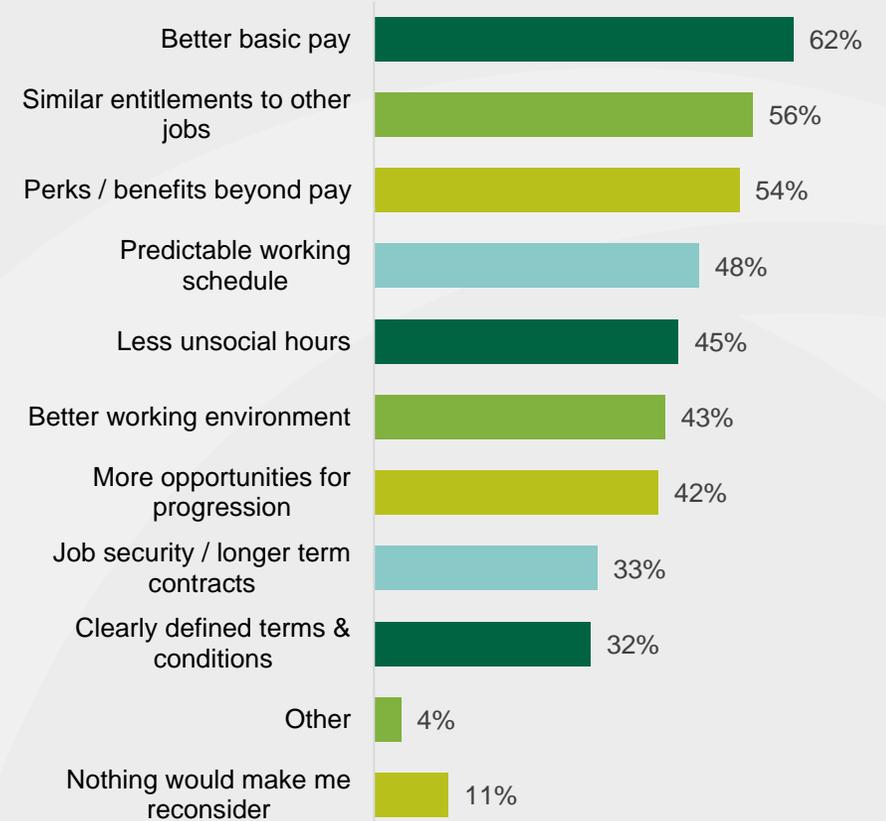
Q18 has been asked to everyone, but 'not applicable' answers have been excluded from the above results



Changing workers' minds

- For most workers not looking to be in tourism & hospitality, **the situation is recoverable**
- But they **won't reconsider unless the issues raised are addressed**
- Some issues are harder to change than others, such as unsocial hours
- Employees see the issues as the employers' cause and responsibility to put right

Q27 "Is there anything that a tourism & hospitality employer could do to make you consider working in their business?"



Base: 1,371

Q27 has been asked to those who do not work in the sector and are not looking to, or they work in the sector but are looking to get out

External View



18/10/21 | Trade Skills Needs Research

The International Experience

- Tourism and hospitality in **all countries** reviewed faces a **similar set of circumstances** for **very similar reasons**. The common challenges are
 - Unfilled roles and lack of suitable applicants
 - Difficulties retaining staff
 - Upward wage pressure
 - Lack of international workers
- A lot of **reliance on public sector bodies to produce solutions**.
- This points to a **disconnect between the source of the challenge and ownership of the solution**.

Consultations with Recruitment Agents

- **Confusion among jobseekers** around (a) role profiles and (b) role levels
- **Less defined career paths** in tourism and hospitality
- **Strong competition** for international mobile workers
- Some **employers' expectations are unrealistic**, e.g., looking for international experience yet offering minimum wage
- **Some employers are being creative** with their hours and shift patterns while **building in predictability**
- **Seeing improved terms, conditions and perks**
- **Better organised employers get better recruitment results**

Implications



Implications

1. The issues are universal to tourism and hospitality across all sub-sectors and many countries.
 2. Doing nothing is not an option. It is sellers' market – unprecedented labour market mobility and exceptional competition between sectors.
 3. Demand is certain to return, yet tourism's recovery is at risk.
 4. Employers must make the job more attractive and should get ahead of the market.
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Fáilte Ireland Tourism Careers Plan

- **Getting the People, Keeping the People & Upskilling the People**

Businesses are the central drivers of change but Fáilte Ireland will support businesses to make the changes through initiatives covering:

- **Recruitment Best Practice**
- **Access to local and international talent pools**
- **Onboarding staff**
- **First ever 'Excellent Employer Programme'**
- **National recruitment awareness campaign**

- **Tourismcareers.ie**
- **TY Student Programme**
- **Live Register – Pathways to Work strategy**
- **Blended learning for staff**

Questions?

