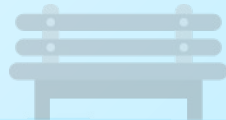


The Great Labor Shortage of 2021

How hotels are navigating the crisis

REVINATE



Introduction

Just as hoteliers are beginning to see bookings rebound, a new challenge arises: Staffing the hotel. **Finding and keeping staff is proving to be this year's monstrous challenge**, and few hotels seem to be immune.

In fact, the [Bureau of Labor Statistics](#) reported that as of early June, there were more than 8 million available jobs in the United States. Hospitality accounts for almost one million of those open jobs. How serious is the problem? During the pandemic, [The World Travel and Tourism Council predicted](#) that 121 million of the 330 million jobs tied to tourism around the world would be lost in 2020, leading to nearly **one in three jobs needing to be rehired** when travel returns.

It's a critical problem to solve because hoteliers need to recover from the pandemic and achieve profitability. After more than a

year of travel moratoriums, guests are finally ready to return to hotels, pockets full of cash, but hoteliers aren't able to meet the demand. They can't sell rooms if they don't have the staff to clean them. They can't open restaurants at full capacity if they don't have wait-staff and line chefs. And, they can't deliver their best service.

In addition to this guide, here's a few more resource recommendations which can help during this time:

EMAIL MARKETING & AUTOMATION

[The Ultimate Guide to Email Marketing for Hotels](#)

[Email Marketing Certification Course \(online\)](#)

COVID-19 RESOURCES

[Hotel Covid-19 Recovery Guide](#)

[Traveler Outlook Survey on Post Covid-19 Bookings](#)

[Email Marketing Benchmark Report](#)

In this report

- 1** Facing the shortage
- 2** When will it stop?
- 3** Effects on Hotel Operations
- 4** Effects on Guest Experience
- 5** Overcoming the Shortage
- 6** The Role of Automation
- 7** Methodology



1

Facing the shortage

A global survey we commissioned in September 2021 reveals that **94.5% of surveyed hotels are struggling with recruiting**. Hiring challenges have far-reaching effects. Employees are being asked to cover gaps and are suffering from burn-out. At the same time, the **staffing shortage is negatively affecting the guest experience**. Here is a response from a UK hotelier that illustrates the challenges:

"We were not able to open all 8 hotels as quickly as needed and had to stagger hotel re-openings over 3 months due to staff shortages. We had to relocate guests from closed hotels to opened hotels in the chain..."

...We could not keep up with the volume of communications needed in regards to each booking due to Covid rules, flight cancellations and changes. We fell behind on answering guest requests and reservations by over two weeks. We were unable to find enough housekeepers and had to advise guests that their rooms would not be cleaned on a daily basis unless they specifically requested a room clean by hanging a sign on their door..."

...We could not manage our 2pm check in time on weekends as the rooms were still being cleaned.

We made a lot of mistakes with reservations, relocations, charges and check ins since we had over 200 new staff with little to no experience starting over a short period of time. Training the new staff was a huge challenge. We were unable to find staff to open the hotel restaurants at the same time the hotels opened. Our breakfast service was affected by tables not being cleaned quickly enough and the breakfast buffet not being stocked quickly enough.

Our experienced staff that came back was under extreme pressure with training multiple new starters, handling and correcting mistakes made, and dealing with extremely angry and disgruntled customers that didn't understand the situation."
-Anonymous Hotelier, UK

While Revinate can't fill your recruitment pipeline, we can help you with best practices and strategies for doing more with fewer resources. Keep reading to learn more.

Most hoteliers are facing the same challenge

The staffing shortage is clearly a widespread issue, with **94.5% of hoteliers facing hiring challenges**. Only 5.5% of hoteliers indicated they weren't facing a staffing shortage, while half of those still felt there was a shortage in their area.

What unites the few hotels that aren't understaffed? They say it's how they treated staff during the pandemic. Here's how one hotelier explains their fortunate position:

"Team members are the main asset at the hotel. We work as a team through good and bad times. We kept all our team members during the pandemic, including those that had recently been hired, even when we closed for six months. We spent money and effort to train these employees and didn't want to lose the investment by losing them. We knew that if we let them go, we wouldn't be able to find good candidates when we needed to rehire."

-Anonymous Hotelier, APAC

Has your hotel faced a staffing shortage this year?

N=146



“The shortage has put extra pressure on our reservations, front office/bell, maintenance, housekeeping and conference services teams. We are operating at historically high occupancies and ADRs but with only 70-75% of our normal staffing levels. We are definitely struggling to keep a positive morale/team culture throughout the busiest months”

Anonymous Hotelier
North America

It doesn't take an economist to uncover the reasons why job candidates are few and far between today. **Many hospitality employees furloughed or let go during the pandemic found other sources of income.**

Some chose to accept government help in lieu of working and found that they could make ends meet. Many are worried about Covid-19 or need to remain home due to at-home schooling or childcare needs. Some switched industries entirely, finding jobs that offered more stability, more regular hours and better benefits.

Essential businesses, such as grocery and DIY stores boomed during the pandemic and provided big bonuses for hospitality workers to make the switch. And, of course, Amazon entered the fray.

The e-commerce giant enticed many workers with higher wages and great benefits, including mental health and educational opportunities that others weren't offering. [CNBC reported](#) the company hired more than 450,000 people in the United States since the beginning of the pandemic and is now the country's largest job-creator.

*“Our experienced staff that came back was under extreme pressure with training multiple new starters and handling and correcting mistakes made and **dealing with extremely angry and disgruntled customers**”*

Anonymous Hotelier
Europe

Shortage by Region

The staffing shortage is being felt globally, but it is most pronounced in Europe, with every hotelier in our survey stating they were facing a staffing shortage. **Asia-Pacific appeared to be the least affected**, with 85.7% of hoteliers feeling the hiring crunch. 97.4% of North American hoteliers were facing a worker shortage. Half of hotels that weren't facing a staffing shortage themselves, indicated that their peers in the area were suffering.

[Summing up](#) the situation, Chip Rogers, AHLA's president and chief executive says, "The single greatest challenge facing our industry is filling essential jobs to ensure the quality service and amenities our guests expect and deserve."

Hotels facing shortage by region

N=138



2

When will it stop?

The hospitality staffing crisis has been an issue for some time now. According to [Business Insider](#), the U.S. leisure and hospitality sector added 343,000 jobs in June 2021 – but total employment across the sector is still down by 2.2 million, or 12.9%, from February 2020. That leaves a big gap in hotels.

The longer the shortage continues, the more strain there will be on staff members that are currently doing double duty. Hoteliers will need a proper fix to this problem to ensure that employees don't burn out and quit, leaving even fewer people to complete critical work.

While the 'all hands on deck' approach works short term, it's not a sustainable long-term strategy. Here is just one of many examples from our survey, that shows how hoteliers are functioning today:

"We have been multitasking with all our staff so that we can cover areas of shortage."

-Anonymous Hotelier, APAC

So when will it end? According to [financial expert at Yahoo Finances](#), **we're looking at the end of 2022:** "Labor force participation probably won't retouch pre-pandemic levels, because of the aging U.S. population, but it will likely reach a new, if lower, peak by the end of 2022."



How long have hotels been coping?

As soon as hoteliers started to feel the industry recover, pain around the staffing shortage began. In early May, [NPR reported](#) on what most hoteliers already knew - there was a shortage of workers to fill the open hospitality jobs.

According to our survey, **60.1% of hoteliers say that they have been dealing with the crisis for more than six months.**

27.5% have been suffering for three to six months.

Only 12.3% of respondents say the issue has been affecting them for less than three months.

How long has your hotel faced a staffing shortage?

N=138



“Everyone who worked has been working all jobs, receptionists were cleaning rooms, hotel manager was cleaning rooms, we could not fix many things, working 13 hrs/day...”

Anonymous Hotelier

Europe

3 Effects on Hotel Operations

Given the months-long staffing crisis, it's not surprising that hotel operations are suffering.

In fact, our survey responses indicate that the **burden of filling the work gap has been placed almost entirely on the existing hotel staff**. These workers were already busy and are beginning to buckle under the additional workload. Even with management pitching in to help, there is simply no end to the tasks needing to be accomplished.

Unfortunately, the only choice that many hoteliers feel they have is to limit occupancy, adjust service expectations and reduce the hours of outlets, or close them altogether.

Here is what some hoteliers said about the effect of the worker shortage on hotel operations:

“No daily housekeeping service, slower turn around on rooms and later check-ins, slower f&b service - all causing depreciating staff morale, which causes less friendly experiences.”

Hotelier, North America

“The staffing shortage has put a lot of pressure on existing staff and, in some cases, we can't give the best service.”

Hotelier, APAC

“Everyone who works is working all jobs. Receptionists are cleaning rooms. The hotel manager is cleaning rooms. We can't fix many things. We're working 13 hours a day.”

Hotelier, EMEA

Staff are overworked and stressed

Just as demand is rebounding, hoteliers are now forced with making difficult decisions due to the staffing shortage. Here is how the shortage is affecting hotel operations:

35.2% of survey respondents indicated they have had to reduce hotel occupancy, food and beverage capacity, and even turn away potential guests.

39.2% of respondents indicated significant increases in staff stress, including being heavily overworked with multi-tasking/ cross-training, and management and owner service assistance.

25.6% indicated a sharp increase in guest complaints, lower quality service, and irritable staff.

How has the shortage affected your hotel operations?

N=125



“No daily housekeeping service, slower turn around on rooms and later check-ins, slower f&b service - all causing depreciating staff morale causing less than friendly experiences”

Anonymous Hotelier
North America

4 Effects on Guest Experience

Since the burden of filling the work gap has largely fallen on the existing staff, it's no surprise that **guests have also been negatively impacted by the staffing crisis**. As much as existing staff tries to mitigate the impact, guests are suffering.

Hoteliers are adjusting the amenities and services they offer to enable the staff to focus on the essential service requirements. Even then, staff feel rushed and are forced to multitask or perform duties without proper training.

As a result, the **overall quality of service, cleaning, food, and attention to detail have all suffered**, as you can see from these survey comments:

"We have tried where possible to not let the guest experience be negated, but we know that room cleanliness is becoming an issue with the shortage of Room Attendants."

Hotelier, EMEA

"Staff working long hours with little rest made them grumpy and tired. They're not going the extra mile like they used to and are more annoyed by guests. Cleaners have four times the amount of rooms than normal so the standards are not where they used to be. Many key things are missed in rooms and in public areas."

Hotelier, EMEA

"They don't always get what they pay for."

Hotelier, North America

"Pretty much everyone complains"

Hotelier, APAC

Guest complaints are increasing

How has the staffing shortage affected the guest experience?

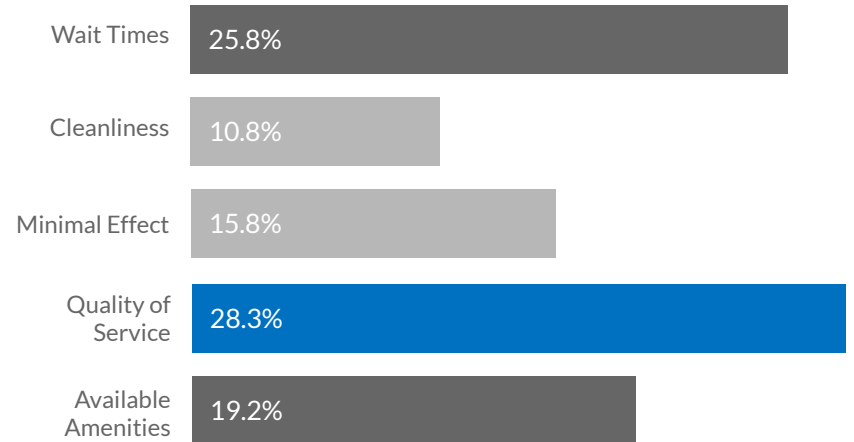
25.8% have increased waiting time at the front desk, food establishments and housekeeping, making room turnover and check-in take longer. **10.8% can't provide cleaning services as frequently**, or state that cleanliness and hotel upkeep have dropped off, which is especially significant during a pandemic.

Surprisingly, **15.8% indicated that the guest experience hasn't been effected**, or if so only minimally. **28.3% say the quality of overall service is affected**, from staff friendliness to not meeting the expectations of guests.

19.2% indicated that many amenities are no longer available to guests.

How has the shortage affected the guest experience?

N=120



“Unfortunately, not all our guests understand that there is a national staffing shortage and are not happy that we are still unable to provide all the same services.”

Anonymous Hotelier

North America

5 Overcoming the Shortage

To manage the shortage, hotels are trying a number of tactics, including **increasing staff pay and providing incentives and referral bonuses** to encourage staff to network the positions. They are also **putting advertising dollars behind hiring new talent.**

The least-exercised method to combat the shortage, but the one used by hotels who were “minimally affected” by the shortage, is the **use of software and automation to optimize the workflows.**

The goal of software automation is to streamline repeatable processes and optimize workflows so that hotels can do more with fewer resources. For example, utilizing mobile apps for check-in and check-out to eliminate the need for a fully-staffed front desk.

By allowing guests to check-in, and even select their rooms without speaking to hotel staff, they can free up valuable hotel resources to focus on other elements of the guest experience.

“We have tried to be more specific in roles when advertising. In the past we would have advertised for F&B team members, now we ask for breakfast servers, C&B casual servers etc.

We have broadened our advertising pool. Previously we would have limited recruitment online to NIJobs.com, now we’re on indeed.com and any site we can access. We really improved the payments on our staff referral program. We now pay £250 per employee who completes three months of service.”

Hotelier, EMEA

Hotels are trying their best, but it's not enough

Hotels are putting tremendous resources behind staffing their hotels. Here is what hotels that responded to the survey have done to combat the shortage:

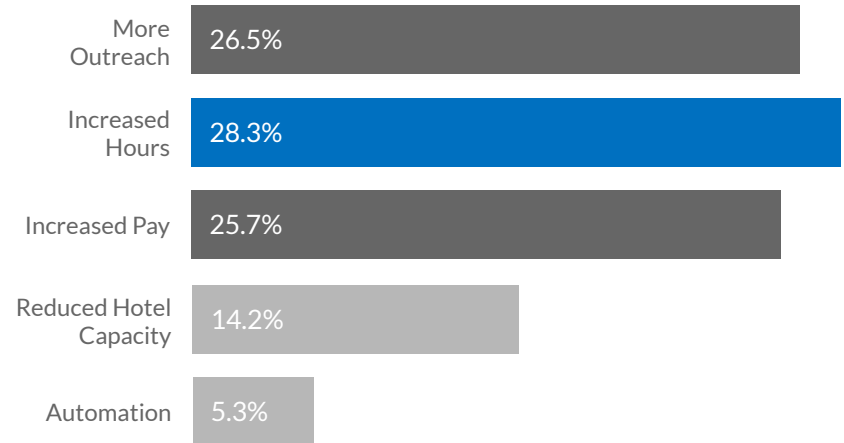
26.5% increased marketing efforts for staffing, allowing more positions to be remote or filled by foreign or temporary workers. They are also providing referral bonuses and hiring anyone that applies, with the aim of training them afterward.

28.3% placed much of the burden on staff, asking them to multitask or cross-train. Managers or owners have stepped in and spent more time working. **14.2% reduced their occupancy or service offering** to better allow staff to accommodate the workload.

Only 5.3% indicated the use of technology and automation to optimize or improve efficiency of the hotel.

What has your hotel done to combat the shortage?

N=113



“We have had to limit occupancy or have other staff come in on their days off to cover shifts. We also had to get creative in terms of remote work options and started offering positions like reservations agents to be done remotely.”

Anonymous Hotelier

North America

6

The Role of Automation

Automation can play a strategic role in helping hoteliers mitigate the staffing crisis. One particularly effective tactic is email automation.

By integrating the PMS and email marketing solution, hoteliers can automate emails to be triggered by specific stages of the guest journey. A common example includes the reservation confirmation email, which is sent when a guest books a room.

But, **we suggest all hoteliers also utilize a pre-arrival email, timed to go out a few days before the guest checks in**, and an on-property email, triggered by the guest checking in to the hotel.

These emails can be used to set expectations about the stay, provide hours of operation for outlets and explain new policies and procedures. The emails can also provide answers to commonly asked questions so guests can self-serve information, versus speaking with staff.

Both emails are easy to set up in [Revinate Marketing](#) and save hoteliers valuable time and resources.

As an example, Center Hotels in Iceland was able to eliminate the need for two roles by automating pre-stay emails, saving \$4k a month. Even more impressive is that by adding an automated upsell email as well, the group was able to grow direct revenue share 10 times and produce three times the local average in direct revenue share.



“we have adjusted operations to be more self-service...marketing makes a lot of online only specials to minimize phone calls - we buy cakes and gift cards to try to help our current staff feel appreciated for their hard work”

Anonymous Hotelier

North America

Lean in to technology

The last 18 months haven't been easy on the hospitality industry. When the pandemic hit, most hotels around the globe were forced to furlough or lay off staff. Now, as travel rebounds, they're scrambling to rehire enough workers to meet the demand. It's exhausting, yet loyal workers still show up each day to provide guests with great hospitality.

Rather than putting more pressure on existing staff, which is how most hoteliers are responding to the staffing crisis today, **we encourage you to lean in on technology, which will both alleviate stress on your staff and drive topline revenue.**

Automation & Optimization / Self-Serve was the least used tactic by hoteliers but seems to be the most effective in managing work capacity. This tactic allows hoteliers to keep up with work, recruit less, and not have to rely as much on pay increases and incentives.

Your ability to automate services will vary depending on your service level, but there's likely room for all hotels to make small changes that free up staff time.

For example, instead of delivering morning papers, can you automatically email on-property guests a link to local news sources each morning? Can you encourage guests to check in and out via your mobile app versus at the front-desk? Can you provide digital keys? All these changes will reduce dependencies on staff and free them up for more important tasks.

If you're looking to do more with less, [Revinatē Marketing](#) makes it extremely easy to put an automated marketing program in place that drives proven ROI and eases the workload of your staff.



7

Methodology

To create this report we surveyed over 150 hoteliers in 5 regions from Sept 13th to Sept 15th, 2021 to collect and identify trends relating to the hotel staffing shortage.

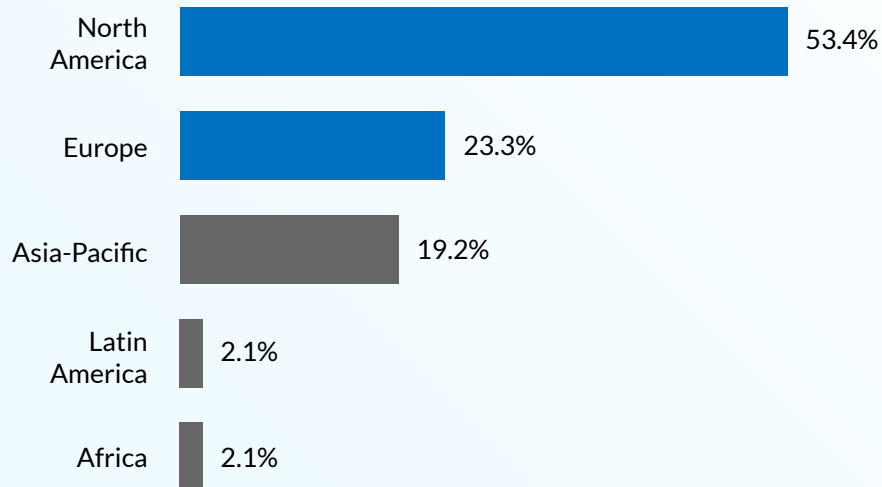
Distribution was conducted through our own database of hoteliers through a mix of multiple-choice and open-ended questions.

Responses were then further clustered based on sentiment, insight, and compiled into this report.

All hotelier quotes were used with permission and kept anonymous. Data presented represents only the significant and statistical findings. Due to this, some regional data such as Latin America and Africa were omitted from specific statistics.

Your Hotel Region

N=146



Hotel Covid-19 Recovery Guide

How to build a marketing strategy that wins bookings. A step by step guide to what hotels must prepare today to secure revenue as travel demand rebounds.



GET THE GUIDE

Download the FREE Hotelier Guide to Email Marketing

Get the skills you need to build guest loyalty, engagement, and revenue with email marketing. Written by Revinate's Hotel Experts, this free resource includes 40+ actionable topics with insights, strategies, and best practices for your hotel.



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