

HVS Monday Musings: Hospitality Hiring: is the Pendulum Swinging Back?

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Hiring activity in the hospitality industry in certain countries has shifted 180-degrees in the last year. While businesses used layoffs, furloughs, and pay cutbacks to stay afloat during the pandemic last year, they are now finding it difficult to rehire employees and fill vacancies as travel demand begins to recover. For the past few months, the growing labor shortage in the hospitality business in the US, the UK, some European countries, and cities such as Dubai has been making headlines.

Part of the problem stems from pandemic relief and unemployment benefits provided by various governments, as well as the fact that all hospitality establishments reopened at the same time once restrictions were lifted. However, some hospitality professionals who were displaced last year and forced to find work in other thriving industries such as e-commerce, healthcare, logistics, and warehousing, among others, are now hesitant to return to the industry. In fact, the American Hotel & Lodging Association (AHLA) launched a new advertising campaign in July 2021 to promote the benefits of a profession in the hotel industry to address this historic labor crisis. As firms struggle to attract experienced talent, the hiring pendulum is swinging back in favor of employees, with employers raising wages, offering signing bonuses, and other benefits.



Hospitality professionals have a competitive advantage over others because they have specific high-in-demand competencies such as adaptability, outstanding communication, relationship-building, and collaboration skills, as well as extensive exposure to a dynamic and fast-paced 24x7 work environment. As a result, over the past decade or so, several other allied industries have started hiring hospitality professionals in their teams. This trend has accelerated since the pandemic due to the industry layoffs, and it is a major source of concern for an industry striving to recover quickly.

In the last couple of months, the hiring momentum in the Indian hospitality industry has improved as well. Reopening of properties, the tremendous unmet demand, combined with the increasing popularity of travel trends like staycations and workcations, is pushing the need for more talent. Several organizations in the airline, hotel, restaurant and travel industries have re-initiated their hiring plans. However, a number of issues, the most

Summary

Hiring momentum in the Indian hospitality industry is improving as several companies resume their hiring plans. However, various issues may make it difficult for them to close the gaps. Read on to know more.

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prominent of which is an experienced talent pool reticent to re-join at reduced pay and people seeking greener prospects in allied industries, may make it difficult for them to close the gaps. Focusing on employee reskilling and training, defining career development paths, and effective succession planning can help in rebuilding the industry's image as an attractive employer. Furthermore, the industry has realized that hotels can operate with fewer employees and room-to-staff ratios are likely to decrease permanently across all hotel types. This is an ideal opportunity for the industry to improve its compensation standards by passing on a portion of the savings as a retention strategy and to attract talent lost to other industries.

About **Mandeep S Lamba**



Mandeep S. Lamba, President – South Asia, oversees the HVS global hospitality practice for South Asia. He has spent over 30 years in the hospitality industry of which the last 19 have been in CEO positions. Having worked with leading International and domestic Hotel Companies such as IHG, Radisson & ITC Hotels, he also set up joint venture companies with Dawnay Day Group UK and Onyx Hospitality, Thailand to own and operate hotels in India giving him a broader exposure to the hospitality business.

An established industry leader, Mandeep has won several awards and recognitions in India and abroad for his accomplishments and contribution to the hospitality industry. He is a Certified Hospitality Administrator from the American Hotels Association (CHA), a member of the Royal Institute of Chartered Surveyors, UK (MRICS) and a member of the Tourism Council of CII (Northern India). His views are often solicited for television and print media as a spokesperson for the hospitality & tourism sector.

Prior to joining HVS in 2018, Mandeep was the Managing Director, Hotels & Hospitality Group for JLL.

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