June 2019

Hospitality and Tourism workforce landscape

An annex to the research report mapping the sector workforce landscape for the Department for Digital, Culture, Media and Sport

CONTENTS

1. Introduction and overview

This annex sets out more detailed results of Economic Insight's analysis of the workforce landscape for the Hospitality and Tourism industry in the UK – and an assessment of skills deficits and barriers to skills development. The primary purpose of this is to provide the Department for Digital, Culture, Media and Sport with evidence that can be used to help maximise its impact and effectiveness when supporting the industry and helping Government deliver on its aims in this vital area.

1.1 Introduction

1.1.1 Background context to the work

The UK Government Department for Digital, Culture, Media and Sport (DCMS) commissioned Economic Insight to carry out a mixed method research project to better understand the Hospitality and Tourism workforce.

The Hospitality and Tourism sector is a key pillar of DCMS economic and social success – delivering £66bn Gross Added Value contribution and employing around 3 million people.[1] Whilst the sector is one of the UK's top ranked industry contributors – both economically and as an employer – there are strong arguments that productivity could be improved.

In order to support more impactful delivery in this area, DCMS is keen to develop a more granular understanding of the sector workforce – including an illustration of the specific skills deficits and their location.

The aim of this research is to provide a comprehensive data analysis of the workforce and existing sector skills in the UK – including current and emerging skills gaps, and insight into key barriers to productivity gains in the sector. The evidence will help to shape conclusions and future policy development.

1 *DCMS (2018), 'DCMS Sectors Economic Estimates 2017.'*

1.1.2 Objectives of the research

In the above context, DCMS commissioned Economic Insight to help it:

- Firstly, develop a more granular understanding of the Hospitality and Tourism **workforce landscape** (essentially, a detailed 'mapping' exercise).
- Secondly, develop evidence to help inform and understand the **potential barriers to skills development** and improved future performance.

In relation to **mapping the workforce and skills landscape**, specific research questions addressed in this report are as follows:

Workforce features

1. How many people work in Hospitality and Tourism?
2. What are the Hospitality and Tourism job types by segment?
3. What are the Hospitality and Tourism job types by location?
4. What are the most important skills to undertake these job types?
5. What are the motivations to join and perceptions around joining the Hospitality and Tourism workforce?
6. What are the drivers of low pay, by location and job type?

Job and skills deficits

7. What are the quantities of job types deficits by segment and location?
8. What are the differences between job types deficits in the UK Hospitality and Tourism and UK all industries?
9. What are the quantities of skills deficits by segment, location and job type?
10. What are the differences between skills deficits in the UK Hospitality and Tourism and UK all industries?
11. What are the skills required by segment and location?
12. What are the employee churn rates by segment and location?

Training provision

13. What training is provided to the UK Hospitality and Tourism workforce?
14. Who are the learners?
15. Who is providing the training?
16. Is there under-provision by region?

In relation to the issue of **barriers**, specific questions addressed include:

1. What are the drivers and barriers of employee skills development in the Hospitality and Tourism sector?
2. What factors cause the current low pay environment in parts of the sector and what impact does it have?
3. What are the employee career development opportunities?
4. What factors help attract and retain skilled workers?
5. Are there new skills and attributes needed by the workforce in the next 5-10 years?

Consequently, this report sets out the findings of the research and analysis relating to the above. The main report contains a short executive summary covering the key findings from this research.

1.1.3 Overview of methodology

In order to address the questions outlined by DCMS, this study combined a range of methods and approaches. This included:

- **Employer Skills Survey** analysis**.** The purpose of this was to examine the current workforce and skills landscape. In particular, to address the questions around the current workforce landscape and job type and skills deficits.
- **Employer Perspectives Survey** analysis. This explored mostly issues around provision of Hospitality and Tourism training.
- **Annual Survey of Hours and Earnings** analysis. This was used to help understand the low pay environment of the Hospitality and Tourism sector.
- **Online survey of Hospitality and Tourism employees and employers.** The purpose of this was to get both an employee perspective on some of the skills issues, as well as obtaining insight into future skills needs from employers.
- **In-depth interviews with key stakeholders**. These were used to fill any outstanding research gaps and obtain a cross-sector perspective on some of the key issues.
- **Comprehensive literature review.** This was primarily used to inform the understanding of barriers to skills development.

1.2 Structure of the annex

The remainder of this annex is structured as follows:

- **Chapter 2** describes the methodology and approach we have used – including highlighting the key issues and considerations that determined our method.
- **Chapter 3** sets out the current make up of the Hospitality and Tourism workforce, including the levels of pay and employee churn.
- **Chapter 4** provides an overview in relation to job types and skills deficits, as well as what skills are currently hard to find in the labour market, lacking amongst education leavers and need improving in the current workforce.
- **Chapter 5** sets out the extent to which training is provided in the Hospitality and Tourism sector by employers, as well as how and by whom this is provided and who the learners are.
- **Chapter 6** explores the drivers and barriers of skills development in the Hospitality and Tourism sector, drawing on multiple sources of evidence.
- **Chapter 7** provides more detail on the literature review and in-depth interview findings.
- **Chapter 8** provides supplementary data tables to the analysis set out in the main report, as well was in this Annex.
- **Chapter 9** contains the online survey questionnaire.

2. Methodology

This chapter describes the methodology used. Firstly, some 'overarching methodological considerations' are set out, which arise across the various research methods applied. These primarily relate to how the Hospitality and Tourism industry should be 'defined', which in turn determines the scope of the analysis. The various research methods used are then describe in turn. These included primary research methods - namely (i) a comprehensive literature review; (ii) an online survey; and (iii) in-depth case studies. Methods also included analysing secondary data, including: (i) the Employer Skills Survey; (ii) the Employer Perspectives Survey; and (iii) the Annual Hours and Earnings Survey.

2.1 Overarching methodological considerations

There are three overarching methodological considerations, which apply across all the research methods used:

- which industries constitute the Hospitality and Tourism sector;
- which occupations constitute the Hospitality and Tourism job types; and
- what levels of detail these should be consider at.

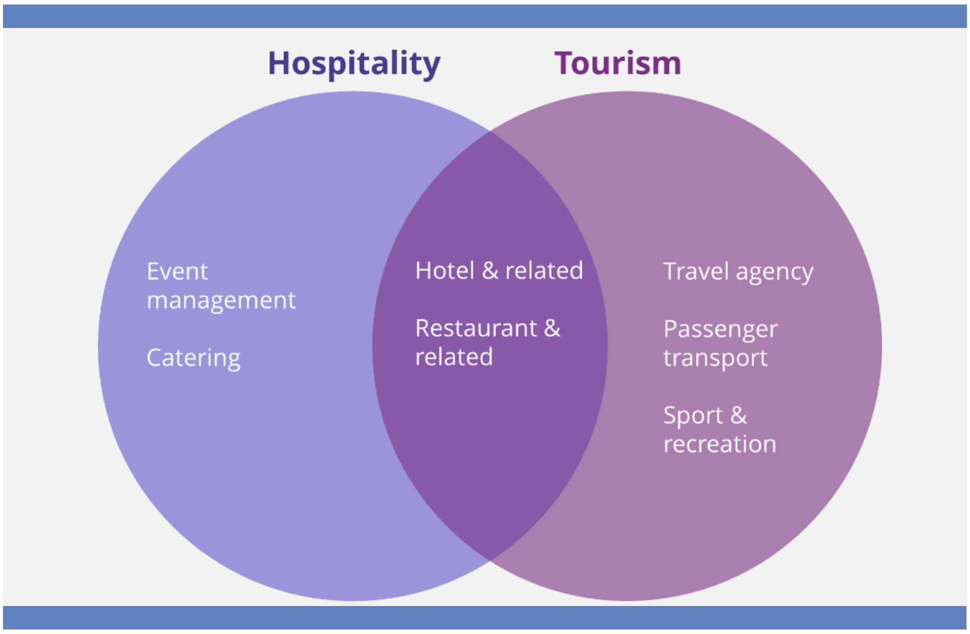
Consequently, in order to understand the scope of the analysis and what it relates to, it is important to be clear regarding the approach to the above three matters. Therefore, these are briefly expanded on in the following.

2.1.1 What are the Hospitality and Tourism sector segments?

The Office for National Statistics (ONS) classifies business establishments and other statistical units by the type of economic activity in which they are engaged. The current standard industrial classification (SIC2007) has 21 sections and 88 divisions.

Based on a review of the existing literature and the ONS SIC2007 codes, as well as discussions with DCMS, for the purpose of this research it was established that there are seven Hospitality and Tourism sub-segments, as illustrated in the following figure.

Figure 1: Hospitality and Tourism segments



Source: Economic Insight.

Following from the above, the next table sets out the 4-digit SIC2007 codes that have been taken to form the broader Hospitality and Tourism sector for the remainder of this report. These have been selected because: (i) their associated activities *primarily relate to Hospitality and Tourism*; and (ii) within 'Hospitality and Tourism' they represent sub-segments for which it would be expected that the demand and supply side factors are different. For example, they will likely vary in terms of:

- the job types required;
- skills types required; and
- the structure of establishments.

Consequently, this variation is relevant to the questions of interest to DCMS.

The above also explains why some of the transport sub-segments have not been included. In particular, a lot of the activities undertaken in those sub-segments would be catering for demand not relating to Hospitality and Tourism (e.g. from commuters). Moreover, it should be noted that there is no SIC code for the '*events industry'* as such. Only '*convention and trade show organisers*' are covered, but this misses out on some more nuanced business types that make up the *'events industry'*.

Table 1: Hospitality and Tourism segments, 4-digit SIC codes

Segment	Sub-segment	4-digit SIC2007
Hotel & related	Hotels and similar accommodation	5510
	Holiday and other short stay accommodation	5520
	Camping grounds, recreational vehicle parks and trailer parks	5530
	Other accommodation	5590
Restaurant, pub & related	Restaurants and mobile food service activities	5610
	Beverage serving activities	5630
Travel agency	Travel agency activities	7911
	Tour operator activities	7912
	Other reservation service and related activities	7990
Sport & recreation	Operation of historical sites and buildings and similar visitor attractions	9103
	Botanical and zoological gardens and nature reserve activities	9104
	Activities of amusement parks and theme parks	9321
	Other amusement and recreation activities	9329
Passenger transport	Sea and coastal passenger water transport	5010
	Passenger air transport	5110
Catering	Event catering activities	5621
Event management	Convention and trade show organisers	8230

Source: ONS.

2.1.2 What are the Hospitality and Tourism job types?

The ONS classifies jobs in terms of their skill level and skill content using the current standard occupational classification (SOC) codes - and considers nine major groups, as illustrated in the following table. These classifications are helpful when considering the different job types and skills in the Hospitality and Tourism sector.

Table 2: ONS 1-digit SOC2010 codes

1-digit SOC2010	Description	Broad occupational group
1	Managers, directors and senior officials	High skill
2	Professional occupations	
3	Associate professional and technical occupations	
4	Administrative and secretarial occupations	Middle-skill
5	Skilled trade occupations	
6	Caring, leisure and other service occupations	Service intensive
7	Sales and customer service occupations	
8	Process, plant and machine operatives	Labour-intensive
9	Elementary occupations	

Source: ONS.

Further to the high level 1-digit SOC2010 codes, the following table sets out the 4-digit SOC2010 codes that have also been incorporated within the analysis. These are used when examining more granular segments (subject to data availability). Again, these classifications are used consistently throughout the remainder of the report.

Table 3: Hospitality and tourism job types, 4-digit SOC codes

Segment	Sub-segment	4-digit SOC2010
Managers, directors and senior officials		
Hotel & related	Hotel and accommodation managers and proprietors	1221
Restaurant & related	Restaurant and catering establishment managers and proprietors	1223
Restaurant & related	Publicans and managers of licensed premises	1224
Sport & recreation	Leisure and sports managers	1225

Segment	Sub-segment	4-digit SOC2010
Travel agency	Travel agency managers and proprietors	1226
Associate professional and technical occupations		
Passenger transport	Air traffic controllers	3511
	Aircraft pilots and flight engineers	3512
Event management	Conference and exhibition managers and organisers	3546
Administrative and secretarial occupations		
All	Book-keepers, payroll managers and wages clerks	4122
	Pensions and insurance clerks and assistants	4132
	Human resources administrative occupations	4138
	Other administrative occupations n.e.c.	4159
Hotel & related	Receptionists	4216
Skilled trade occupations		
Hotel & related Restaurant & related Catering	Bakers and flour confectioners	5432
	Chefs	5434
	Cooks	5435
	Catering and bar managers	5436
Caring, leisure and other service occupations		
Sport & recreation	Sports and leisure assistants	6211
Travel agency	Travel agents	6212
Passenger transport	Air travel assistants	6214
All	Leisure and travel service occupations n.e.c.	6219
	Housekeepers and related occupations	6231
	Cleaning and housekeeping managers and supervisors	6240
Sales and customer service occupations		
All	Telephonists	7213
	Customer service managers and supervisors	7220

Segment	Sub-segment	4-digit SOC2010
Process, plant and machine operatives		
	Marine and waterways transport operatives	8232
	Air transport operatives	8233
Elementary occupations		
Hotel & related Restaurant & related Catering	Kitchen and catering assistants	9272
	Waiters and waitresses	9273
	Bar staff	9274
Sport & recreation	Leisure and theme park attendants	9275
All	Other elementary services occupations n.e.c.	9279

Source: ONS.

2.1.3 How robust is regional and LEP level data for these segments and job types?

Most of the analyses undertaken are at the UK nations and nine Government office regions level for England. Where possible, in particular with the Employer Skills Survey (ESS) and Employer Perspectives Survey (EPS) datasets, the study has looked at the more granular Local Enterprise Partnership (LEP) level for England. In summary, this research has considered the following regional disaggregation levels:

- **Four UK nations**: England; Northern Ireland; Wales; and Scotland.
- **Nine Government office regions (England)**: East Midlands; East of England; London; North East; North West; South East; South West; West Midlands; and Yorkshire and the Humber.
- **39 Local Enterprise Partnerships (England)**: Black Country; Buckinghamshire Thames Valley; Cheshire and Warrington; Coast to Capital; Cornwall and Isles of Scilly Coventry and Warwickshire; Cumbria; Derby Derbyshire Nottingham and Nottinghamshire; Dorset; Enterprise M3; Gloucestershire; Greater Birmingham and Solihull; Greater Cambridge Greater Peterborough; Greater Lincolnshire; Greater Manchester; Heart of the South West; Hertfordshire; Humber; Lancashire; Leeds City Region; Leicester and Leicestershire; Liverpool City Region; London; New Anglia; North Eastern; Northamptonshire[2]; Oxfordshire; Sheffield City Region; Solent; South East; South East Midlands; Stoke-on-Trent and Staffordshire; Swindon and Wiltshire; Tees Valley; Thames Valley Berkshire; The Marches; West of England; Worcestershire; and York, North Yorkshire and East Riding.

Throughout the report unweighted base figures are provided, to give an indication of the statistical reliability of the figures. For data reported from the ESS and EPS, these figures are always based on the number of establishments answering a question. For example, where percentages based on "*all vacancies*" (such as the percentage of

[2] *Northamptonshire LEP merged with South East Midlands LEP in March 2017.*

vacancies that are skills shortage vacancies) are reported the base figure quoted is the unweighted number of establishments with vacancies.

To maintain consistency with the ESS and EPS reporting, and for further indication of reliability of the data, figures with a base size of fewer than 30 establishments are not reported ("**" is displayed instead) and figures with a base size of 30-40 are italicised and ought to be treated with caution.

Further statistical information in relation to reliability and robustness is presented in terms of the 95% confidence intervals around the estimates and presented in brackets after the estimate.

2.2 Research methods

Having set out the overarching considerations that shaped the overall approach, the following sections describe the specific research methods used. In turn:

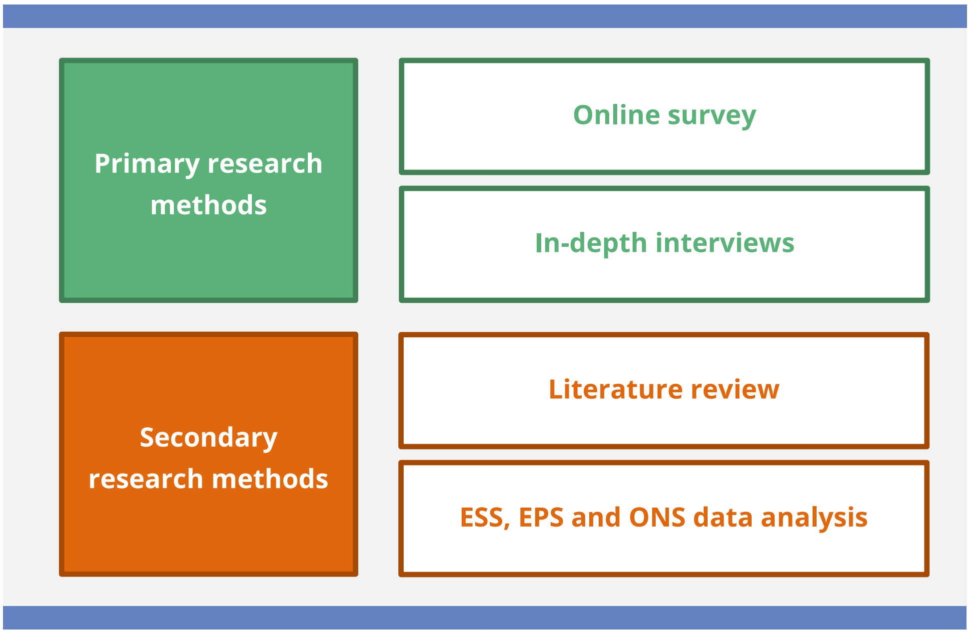
(a) the literature review methodology;

(b) the online survey methodology;

(c) the in-depth stakeholder interviews; and

(d) the approach to analysing secondary data sources.

Figure 2: Overview of research methods



Source: Economic Insight.

2.2.1 Literature review

Background and objectives

The *scope* of the literature review included reviewing papers relating to:

- the **drivers and barriers to skills development** in the Hospitality and Tourism sector;
- **future skills** requirements in the sector; and
- the issues of: (i) **low pay environment** in the sector; and (ii) helping to **attract and retain skilled workers**.

The two main objectives relating to the literature review were as follows.

- **To collate the existing evidence** on drivers and barriers to skills development in the Hospitality and Tourism sector in a complete and systematic way.
- **To identify what is, and is not, known** about the drivers and barriers to skills development in the Hospitality and Tourism sector; and hence what should be **explored in more depth in the primary research.**[3]

Method

The literature review was formed on desk-based research. It sought to cover all the segments that make up the Hospitality and Tourism sector – both in terms of industries and occupations – as set out in the following table.

Table 4: Summary of Hospitality and Tourism coverage

Segment	Sector	Job types covered
All	All	Chief executives and senior officials; functional managers and directors
Hotel & related	Hotels and similar accommodation; holiday and short stay accommodation; camping grounds, recreational vehicle parks and trailer parks; other accommodation	Hotel and accommodation managers and proprietors; receptionists; housekeepers and related occupations; cleaning and housekeeping managers and supervisors
Restaurants & related	Restaurants and mobile food service activities; beverage serving activities	Restaurant and catering establishment managers and proprietors; publicans and managers of licensed premises; chefs; cooks; catering and bar managers; kitchen and catering assistants; waiters and waitresses; bar staff
Travel agency	Travel agency activities; tour operator activities; other reservation service and related activities	Travel agency managers and proprietors; travel agents
Sport & recreation	Operation of historical sites and buildings and similar visitor attractions; botanical and zoological gardens and nature reserve activities; activities of amusement parks and theme parks; other amusement and recreation activities	Leisure and sports managers; sports and leisure assistants; leisure and theme park attendants
Passenger transport	Sea and coastal passenger water transport; passenger air transport	Transport associate professionals; air travel assistants; rail travel assistants; leisure and travel service occupations n.e.c.
Event management	Convention and trade show organisers	See above for restaurants & related

3 *Findings from the literature informed both the online survey design, as well as the structure and questions for the in-depth interviews.*

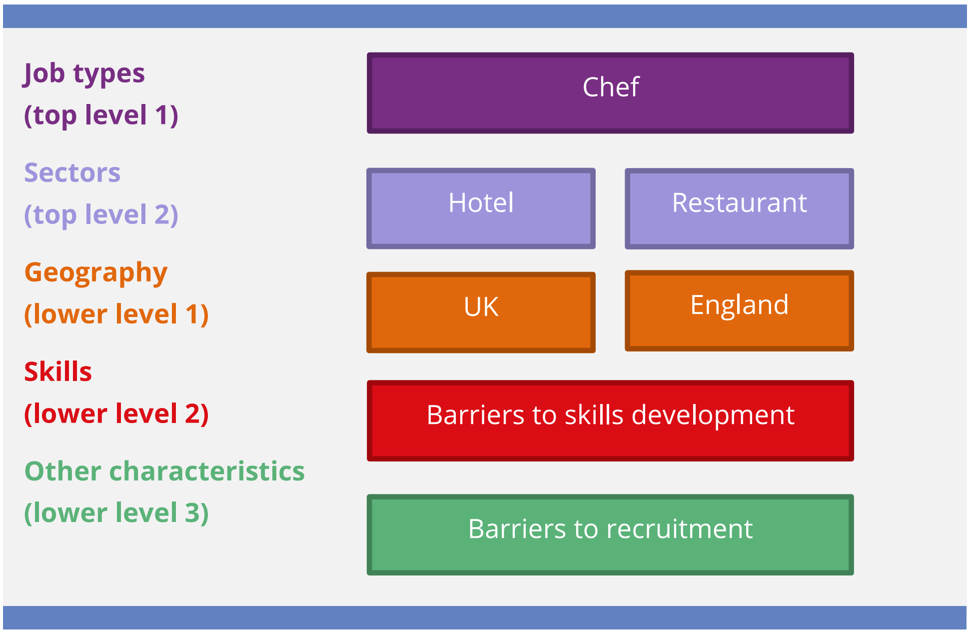
Segment	Sector	Job types covered
Catering	Event catering activities	See above for restaurants & related

Source: Economic Insight review of SIC and SOC codes.

It should be noted that finding evidence at very granular occupational / industrial classifications was unlikely - and as such, the review focused on the broader aggregations.

With the above in mind, a **top-down approach** was followed, illustrated in the subsequent figure. For example, the reviewer started with seeking to analyse the drivers and barriers to skills development of a specific workforce – say chefs. Depending on evidence availability, the reviewer then moved down through the remaining levels shown.

Figure 3: Top-down approach



Source: Economic Insight.

The reviewer prioritised finding recent literature of relevance to the Hospitality and Tourism sector in the UK – though had to '*cast the net wider*' given the evidence limitations. When examining studies from other countries, differences in the welfare systems were accounted for, which may – in part – explain different drivers and barriers across countries.

Below more detail is provided on the search strategy; the assessment of relevance; and the approach to synthesising the literature.

Search method

Searches were conducted through Google, Google Scholar, JSTOR and the Web of Science. Literature from the following sources was considered:

- **academic journals** (including economic, management, human resources, sociology, psychology and public policy journals); and
- **grey literature** (including relevant organisations' websites and articles, such as the OECD, CEP, CIPD, IES, etc. as well as broader newspaper articles and organisations' own surveys and other materials such as working papers).

Searches were conducted using a combination of the search terms set out below, for each of the "levels" set out previously.

Table 5: Search terms

	Search terms
Job types	As per table 1
Sectors	As per table 1
Geography	UK; Britain; England; Wales; Scotland; Northern Ireland; Ireland; US*; Europe
Skills	skills requirement; skills shortages; important skills; learning; training; development; performance; progression; engagement
Other characteristics	recruitment; retention; promotion; remuneration; incentive*; good work environment; shift; churn; productivity; achievement; output; age; gender; education

Source: Economic Insight.

Searches combining these terms were undertaken, for the relevant aims and objectives set out earlier. For example, to determine what attracts people to work in the restaurant sub-sector searches with the following combinations were undertaken:

- restaurant*[4] & recruitment;
- restaurant* & recruitment & remuneration;
- restaurant* & recruitment & remuneration & UK;
- etc.

Once initial papers had been identified, a further analysis of the references and cross-references was undertaken, in order to identify additional materials to be included in the review.

Relevance

The search strategy already incorporated a sifting strategy; as where the search returned usable results, the abstracts were scanned, and it was decided whether to include the article in the review.

This was based on an assessment as to whether the document would be able to help address the research aims. Ultimately, there was a certain degree of judgment and subjectivity as to what is and is not relevant.

Synthesis

The findings obtained from the literature were synthesised and compared on a like-for-like basis – where possible. As such, for each reviewed paper a template that summarised the key aspects of the paper was filled out.

[4] *The asterisk allows for searches to consider both singular, plural and other variations of the key search terms.*

Table 6: Main characteristics of reviewed paper

	Description
Sector	Hospitality, tourism, restaurants, etc.
Job type	Managers, chefs, housekeeping, etc.
Geography	UK, US, Europe, etc.
Area of work analysed	Recruitment, retention, productivity.
Key findings	Key findings in relation to the research questions set out previously.
Other	Anything else that may be relevant.

Source: Economic Insight.

2.2.2 Online survey

Background and objectives

The online survey was undertaken to fill research gaps that were identified across the literature review, as well as the initial secondary data analysis. In particular, it sought to gain information about:

- the **drivers and barriers to skills development** in the Hospitality and Tourism sector from an employee's perspective; and
- the **skills and attributes required to do the jobs** (rather than just those that are missing).

The key objective of the online survey was to **help develop new insights** as to the factors that might affect the functioning of labour markets, on both the 'employee' and 'employer' side.

Method

The survey 'honed-in' on issues that are hampering skills development, from both the employee's and the employer's perspective. In particular:

- **Employee side.** Here, respondents were encouraged to provide information on their career journey, i.e. the steps they took from being in their current role and whether they consider they will remain in the role / sector; as well as whether they are equipped with the necessary skills to undertake their jobs.

- **Employer side.** There are several surveys covering skills, skills gaps and skills shortages in the UK, from the employer's perspective, which were analysed as part of the secondary data analysis element of this research project (e.g. the ESS, and the EPS). As such, here, the focus was on the reasons for these gaps and shortages (which in combination are termed 'skills deficits' throughout this research), as well as ways in which businesses are trying to overcome them. Like the employee survey, it followed a chronological order in terms of barriers at the different career stages, e.g. from recruitment, to retention, to churn.

The survey was implemented online and reached a total sample of **305 respondents** spread across:

- **268 employee** responses; and
- **37 employer** responses.

Both the **overall employee and employer sample were not representative of the Hospitality and Tourism sector generally.** As such, results mentioned from the online survey element of this research are not representative of the Hospitality and Tourism sector more broadly and should be interpreted with caution. This is illustrated in the following table, as on the employee side, the sample is skewed towards the '*passenger transport'* segments, whereas on the employer side it is skewed towards the '*sports & recreation'* segment.

Table 7: Online survey sample, by segment

	Total	Employee	Employer	ESS 2017
Base	*305*	*268*	*37*	*9,503*
Hotel & related	21%	21%	24%	21%
Passenger transport	18%	20%	5%	0%
Restaurants, pub & related	17%	18%	14%	65%
Sport, recreations & attractions	15%	13%	30%	6%
Event management	12%	13%	8%	1%
Travel agency / tour operator	10%	9%	11%	4%
Catering	6%	6%	8%	2%

Source: Economic Insight online survey.

In term of regional spread, the sample was slightly skewed towards London, as illustrated in the following table.

Table 8: Online survey sample, by region

	Total	Employee	Employer	ESS 2017
Base	*305*	*268*	*37*	*9,503*
London	22%	21%	32%	10%
South East	11%	12%	8%	8%
North West	11%	10%	19%	8%
Scotland	11%	12%	0%	9%
West Midlands	9%	9%	11%	7%
East Midlands	8%	9%	5%	7%
North East	7%	8%	0%	8%
South West	6%	6%	3%	10%
East of England	5%	5%	8%	7%
Yorkshire and the Humber	4%	4%	0%	7%
Wales	3%	3%	3%	9%
Northern Ireland	2%	2%	5%	7%
I'd prefer not to say	1%	1%	5%	n/a

Source: Economic Insight online survey.

This sample was achieved using two methods:

- **DCMS shared an online survey link with its stakeholders**, who then in turn disseminated it across their members. The following organisations were provided with and disseminated the survey: UKHospitality; People1st; British Beer and Pub Association (BBPA); Visit Britain; Visit England; Association of British Travel Agents (ABTA); Association of Leading Visitor Attractions (ALVA); British Association of Leisure Parks, Piers and Attractions (BALPPA); British Destinations; British Educational Travel Association (BETA); British Guild of Tourist Guides; The Camping and Caravanning Club (CCC); Historic Houses Association (HHA); HOSPA; Hotel and Catering International Management Association (HCIMA); Institute of Travel and Tourism (ITT); Tourism Alliance; Tourism Management Institute (TMI); and Tourism Society.
- **Multiple survey panels were used to reach relevant respondents.** The online survey was further disseminated with 270 respondents by using multiple survey panels.

2.2.3 In-depth stakeholder interviews

Background and objectives

In-depth interviews were conducted to garner views from key stakeholders in the Hospitality and Tourism sector, including trade associations, independent consultants and large employers. The main objective of the in-depth interviews was to explore some issues that had come through from the literature review and secondary data analysis in more detail.

Method

Ten in-depth interviews lasting around half an hour over the phone were conducted with the following organisations:

- **Association of Employment and Learning Providers (AELP)**. The AELP is a national membership organisation that represents the interests of over 900+ organisations. Its members deliver the majority of Britain's apprenticeships, traineeships and programmes for the unemployed.
- **Association of Leading Visitor Attractions (ALVA)**. ALVA's members are the UK's most popular, iconic and important museums, galleries, palaces, castles, cathedrals, zoos, historic houses, heritage sites, gardens and leisure attractions. They comprise over 2,200 tourist sites, hosting over 119 million domestic and overseas visitors each year. ALVA provide training, benchmarking and advocacy initiatives to assist their members continually improve the visitor experience.
- **British Beer and Pub Association (BBPA)**. The BBPA is the drinks and hospitality industry's largest and most influential trade association, representing ca. 90% of UK brewing and the ownership of around 20,000 of the nation's pubs. They are a diverse group and include international companies, family brewers, managed locals and the nation's largest tenanted pub estates.
- **Department for Education**. The Department for Education is a department of Her Majesty's Government, responsible for child protection, education, apprenticeships and wider skills in England.
- **New Anglia Local Enterprise Partnership (LEP)**. New Anglia LEP works with businesses, local authority partners and education institutions to drive growth and enterprise in Norfolk and Suffolk. They are transforming the economy by securing funds from Government to help businesses grow, through the delivery of ambitious programmes to ensure that businesses have the funding, support, skills, and infrastructure needed to flourish and ensuring that the voice of the business community is heard, loud and clear.
- **People 1st International**. People 1st International is an employer-led skills and quality assurance expert. They develop and quality assure industry relevant skills solutions in the UK and internationally across apprenticeships, work-based learning and technical vocational education, as well as providing an consultancy service internationally to support countries in developing sustainable skills models.
- **Pizza Express**. Pizza Express is a casual dining business operating in twelve countries, with their predominant market being the UK and the Republic of Ireland, with 470 restaurants across both. They have 11,000 team members

across the UK and Republic of Ireland and are a large employer in the Hospitality and Tourism sector.

- **UKHospitality.** UKHospitality is the powerful voice representing the broad hospitality sector – covering everything from bars, coffee shops, contract catering, hotels, nightclubs, visitor attractions and other leisure venues. They seek to unlock the industry's full potential as one of the biggest engines for growth in the economy and to ensure that the industry's needs are effectively represented by engaging with Government, the media, employees and customers. Representing more than 700 companies in a sector that employs 2.9 million people, UKHospitality speaks for a sector that represents 10% of UK employment, 6% of businesses and 5% of GDP.

- **Warner Bros.** Warner Bros. Studios Tour London – The Making of Harry Potter is a public attraction in Leavesden in southeastern England. Not to be confused with The Wizarding World of Harry Potter of Universal Studios theme parks, it is a permanent exhibit offering an authentic behind the scenes glimpse of the Harry Potter films.

- **WRIGHT.** WRIGHT works with agencies and corporates to deliver strategic, operational and business development projects across all event disciplines. They also lead the Events Industry Board's Talent Taskforce and the Event Management Apprenticeship Programme.

Key insights from the in-depth interviews are summarised alongside the literature review findings and in **orange boxes** throughout the annex.

2.2.4 Secondary data analyses

Background and objectives

The secondary data analyses were undertaken to address the two overarching research objectives, in relation to:

- **mapping the Hospitality and Tourism workforce and skills landscape**; and
- identifying the **drivers and barriers to skills development** in the Hospitality and Tourism sector.

Multiple data sources were used that hold different information, specifically:

- **Employer Skills Survey (ESS).**[5] The ESS collects labour market intelligence on employer skills needs at a UK-wide level and is commissioned by the Department for Education. It sits alongside the EPS (see below) to produce insights that complement each other and are run in alternate years. The ESS is inward-looking and measures the current skills shortages and skills gaps of employers. For the ESS 2017 a total of 87,430 interviews were conducted by telephone using computer-assisted telephone interviewing systems.

- **Employer Perspectives Survey (EPS).**[6] The EPS complements information gathered above through the ESS, with its focus being primarily outward-looking, covering provision of and engagement with the wider skills system. Over 18,000 UK employers took part in the EPS 2016.

[5] *IFF Research (August 2018), 'Employer Skills Survey 2017: Technical report.'*
[6] *IFF Research (June 2017), 'Employer Perspectives Survey 2016: Technical report.'*

- **Annual Survey of Hours and Earnings (ASHE).**[7] The ASHE, carried out in April each year by the ONS, is the most comprehensive source of information on the structure and distribution of earnings in the UK. It provides information about the levels, distribution and make up of earnings and paid hours worked for employees in all industries and occupations.

Below, the more granular research questions that these secondary data analyses help answer are set out.

ESS

Information contained within the ESS was used to answer the research questions, as follows.

How many people work in Hospitality and Tourism?

What are the Hospitality and Tourism job types, by segment and location?

- The **number of staff employed (by 1-digit SOC codes)** allowed to answer these first two questions.

What are the quantities of job types deficits, by segment and location?

- The **number of vacancies (by 1-digit SOC codes)** allowed to answer the question above, that is, how many roles are unfilled / vacant.

What are the quantities of skills deficits, by segment and location?

- The **number of skills shortage vacancies (by 1-digit SOC codes)**. The ESS identifies both *hard to fill vacancies* (that is, vacancies that employers have struggled recruiting for), as well as *skills shortage vacancies* (a subset of those *hard to fill vacancies*, which are specifically hard to fill because applicants do not have the 'right' skills). To answer the fourth research question above the research focused on *skills shortage vacancies*, to represent the external element of skills deficits experienced by employers. Internal skills deficits are further considered below.

- The **number of staff not fully proficient (by 1-digit SOC codes)**. The ESS further provides information on the number of staff that are not fully proficient in their role, i.e. *skills gaps*. For the subsequent analysis this is considered to represent the internal skills deficit, that is, skills that are lacking amongst the current workforce (rather than in the labour market as such, captured by the *skills shortage vacancies* above).

What are the skills required, by segment and location?

- **Technical and soft skills that employers considered hard to find**. The ESS identifies both the technical and soft skills that employers who have reported to have a skills shortage vacancy considered hard to find in the labour market.

- **Technical and soft skills that employers considered needed improving**. Similarly to above, the ESS reports both the technical and soft skills that employers who have reported to have a skills gap consider needs improving.

[7] *Office for National Statistics (February 2016), 'Annual Survey of Hours and Earnings (ASHE) methodology and guidance.'*

What training is provided to the UK Hospitality and Tourism workforce?

- **Training provided by employers** provided insight into the proportion of employers that provide training, as well as whether it on- or off-the-job and whether it is provided online.
- **Type of training provided by employers** allowed to identify what courses were particularly relevant for the Hospitality and Tourism workforce.

Who are the learners?

- The **number of staff trained in the last twelve months** allowed the research to identify who the learners have been, as well as whether there was an under-or over-provision of training.

EPS

The EPS was used to answer the following research questions:

What training is provided to the UK Hospitality and Tourism workforce?

- **Training provided by employers** provided insight into the proportion of employers that provide training, as well as whether it is provided internally or externally.

Who is providing the training?

- **Training providers used by employers** allowed the research to establish whether Hospitality and Tourism employers that have used external training sources and used private or public sources of training.

What are the drivers and barriers of employee skills development in the Hospitality and Tourism sector?

- Employers who did not provide training were asked about the **reasons for not providing training**, which allowed this research to explore barriers to employee skills development.
- Similarly, employers who provided training and stated they would have liked to provide more training were asked about the **reasons for not providing more training.** Again, this enabled exploration of some further barriers to (more) employee skills development.
- Employers who used and who did not use private training providers were in turn asked about the **reasons for and against using private training providers.** This allowed this study to explore some key drivers and barriers in employee skills development.
- Similarly, employers who used and who did not use public training providers were in turn asked about the **reasons for and against using public training providers**. Again, this provided an opportunity to explore some drivers and barriers in employee skills development.

As per above, this research was able to answer these questions using the EPS, as further to the information provided, it also contains the **employer's 4-digit SIC code**.

ASHE

The ONS ASHE was used to answer the following research question:

What are the levels of low pay, by job type and location?

- Here, the ***average gross weekly pay*** was used for both full-time and part-time jobs to be the key indicator of the level of pay. Further, the ONS provides these data by 4-digit SIC codes at a UK level - and at the 2-digit SIC codes, for a deeper regional disaggregation (as well as by 4-digit SOC codes at a regional level). In order to determine what the levels of pay across the Hospitality and Tourism industry were, a "UK Hospitality and Tourism wage" was created, based on a weighted average of both the 4-digit SIC codes the ESS analysis was based on, set out above, as well as the 2-digit SIC codes (as this granularity allowed for a more detailed regional analysis).

- The advantage of using the 2-digit SIC code UK Hospitality and Tourism wage is that the data underpinning it is more robust (because sample sizes are larger). However, the categories are less specific, meaning any analysis using it is 'more aggregate'.
- Conversely, the advantage of using the 4-digit SIC code, is that it is more specific and so more accurately reflects the segments of interest for this study. However, it will be based on smaller sample sizes, and so is less reliable.

The next chapter sets out the results of using all of the above information, data and methods and sets out what the Hospitality and Tourism workforce features are.

3. Workforce features

This chapter sets out the Hospitality and Tourism workforce features and answers the following research questions: (i) how many people work in Hospitality and Tourism; (ii) what are the Hospitality and Tourism job types by segment; (iii) what are the Hospitality and Tourism job types by location; and (iv) what are the levels of low pay, by job type and location?

3.1 How many people work in Hospitality and Tourism?

The Hospitality and Tourism workforce is an important part of the UK economy. It provides employment for all different types of people. In particular, women, younger workers, as well as part-time workers.[8] The following sections establish, in turn, that:

- around one in every twelve people of the labour force in the UK work in the Hospitality and Tourism sector;
- '*restaurant & related'* and *'hotel & related'* are the two largest segments of the UK Hospitality and Tourism sector, accounting for over 86% of the workforce; and
- around 18% of the workforce is from the EU.

3.1.1 What proportion of the UK labour force work in Hospitality and Tourism?

AROUND 1 IN EVERY 12 PEOPLE OF THE LABOUR FORCE IN THE UK WORK IN THE HOSPITALITY AND TOURISM SECTOR.

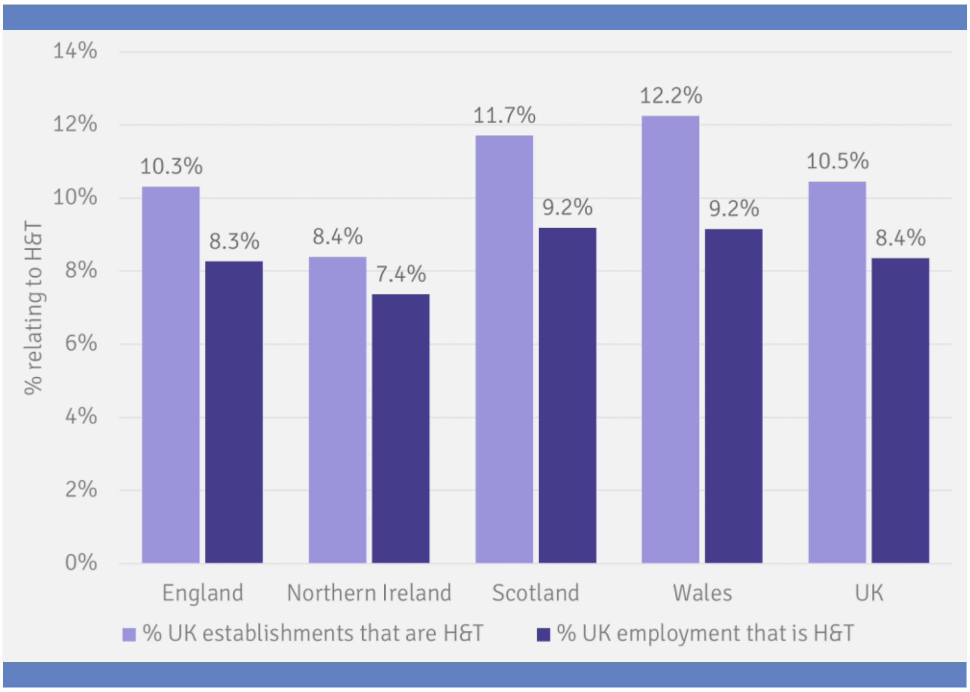
The Hospitality and Tourism workforce (as defined in the previous chapter) makes up:

- **8.4%** in terms of share of total **UK employment**.
- **10.4%** in terms of share of total **UK establishments**.

There is some regional variation in terms of these proportions, as illustrated in the following figure. For example, the proportion of people working in the Hospitality and Tourism sector as a proportion of all workers is higher in Scotland (9.2% [7.0%; 11.4%]) and Wales ((9.2% [7.0%; 11.3%]), compared to the UK average (8.4% [7.8%; 8.9%]). These differences are not statistically significant.

[8] *Eurostat (2015), 'Tourism industries – employment.'*

Figure 4: Proportion of UK establishments / workforce that are Hospitality and Tourism, by region, 2017



Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: All establishments (England=71,527; Northern Ireland=3,973; Scotland=6,017; Wales=5,913; and UK=87,430).

These overall proportions have remained relatively stable over the years – although the proportion of employment accounted for by Hospitality and Tourism has increased slightly over time (see next table).

Table 9: Proportion of UK establishments / workforce that are Hospitality and Tourism over time

	2011	2013	2015	2017
Unweighted base	*86,522*	*91,279*	*91,210*	*87,430*
% UK establishments that are Hospitality and Tourism	10.5%	10.7%	10.8%	10.5%
% UK employment that is Hospitality and Tourism	7.6%	7.9%	8.2%	8.4%

Source: Economic Insight analysis of ESS 2011, 2013, 2015, 2017.

Has the proportion of the UK labour force that work in Hospitality and Tourism changed over time?

COMPARED TO ALL UK INDUSTRIES, EMPLOYMENT IN HOSPITALITY AND TOURISM INCREASED ALMOST THREE TIMES AS MUCH.

ESS analysis implies that between 2011 and 2017 the Hospitality and Tourism sector grew by **17.2%** in terms of workforce. This growth is not statistically significant.[9]

[9] *The only statistically significant change between 2011 and 2017 is the growth in the 'restaurant' and related businesses segment (0.9% [1.6%; 0.2%]).*

The following table illustrates the year-on-year growth of the Hospitality and Tourism sector in terms of employment compared to all UK industries. As can be seen, UK Hospitality and Tourism has grown at a faster rate compared to all UK industries.

Table 10: % change in workforce over time – all Hospitality and Tourism segments, UK

	2013	2015	2017	2011-2017
Employment growth (UK Hospitality and Tourism)	3.0%	6.9%	6.5%	**17.2%**
Employment growth (UK all industries)	-0.1%	3.0%	4.0%	**6.9%**

Source: Economic Insight analysis of ESS 2011, 2013, 2015, 2017.

Unweighted base sizes: All establishments from Hospitality and Tourism sector in the UK (2011=9,865; 2013=10,449; 2015=10,476; and 2017=9,503); all establishments from all industries in the UK (2011=86,522; 2013=91,279; 2015=91,210; and 2017=87,430).

Regional differences

HOSPITALITY AND TOURISM EMPLOYMENT GROWTH IN YORKSHIRE & THE HUMBER, WALES, SCOTLAND AND THE EAST OF ENGLAND HAS BEEN HIGHER THAN AVERAGE UK EMPLOYMENT GROWTH BETWEEN 2011 AND 2017.

In terms of growth in employment and establishments, the Hospitality and Tourism sector has a higher growth rate than all UK industries. This is consistent for all UK regions in terms of employment numbers (with notable outperformers being Yorkshire and the Humber and Wales). In terms of establishments, Yorkshire and the Humber still outperforms the UK economy, whereas for the other regions it is more balanced - and in line with the overall UK economy growth. This is illustrated in the following table.

THE TABLE ON THE RIGHT SHOWS THE GROWTH IN THE UK HOSPITALITY AND TOURISM INDUSTRY AT A REGIONAL LEVEL IN TERMS OF BOTH ESTABLISHMENTS AND EMPLOYMENT.

FOR EXAMPLE, IN TERMS OF NUMBER OF ESTABLISHMENTS, THE HOSPITALITY AND TOURISM SECTOR INCREASED BY 9% IN THE EAST MIDLANDS.

Table 11: Regional difference (% change) between Hospitality and Tourism establishment and employment growth over time, 2011 - 2017

Region	Hospitality and Tourism establishment growth (2011-2017)	Hospitality and Tourism employment growth (2011-2017)
East Midlands	9.0%	17.6%
East of England	6.9%	20.3%
London	19.9%	22.3%
North East	8.5%	6.7%
North West	6.5%	17.3%
South East	-1.2%	15.4%
South West	6.6%	15.7%
West Midlands	6.3%	7.5%
Yorkshire and The Humber	17.5%	24.4%
England	8.8%	17.4%
Northern Ireland	-1.6%	-3.1%
Scotland	5.5%	18.3%
Wales	8.2%	22.4%
UK	8.2%	17.2%

Source: Economic Insight analysis of ESS 2011, 2013, 2015, 2017.

Unweighted base sizes: see chapter 8, tables 45 and 56.

Segment

The above growth is driven by particular Hospitality and Tourism segments, namely:

THE RESTAURANT, PUB & RELATED SUB-SECTOR, AS WELL AS HOTELS & RELATED HAVE BEEN DRIVING THIS GROWTH IN HOSPITALITY AND TOURISM EMPLOYMENT.

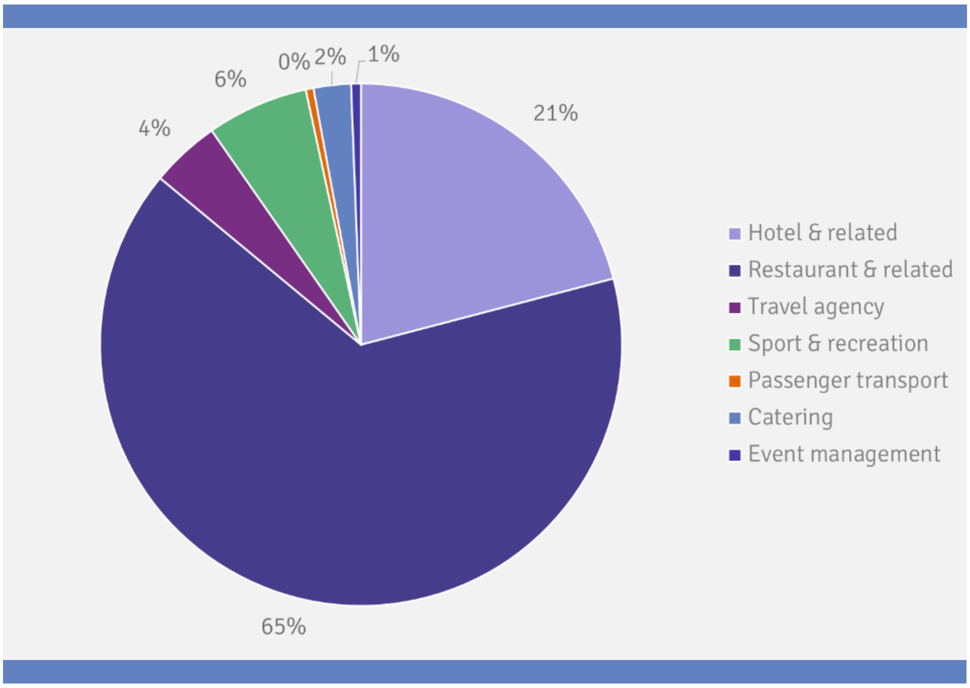
- **Restaurant, pub & related**, which between 2011 and 2017 grew by 16.8% in terms of establishments in the UK and 28.4% in terms of employment in the UK; as well as
- **Hotels & related**, which reduced in terms of establishments by 4.8% in the UK, but increased by 11.7% in terms of employment in the UK between 2011 and 2017.

3.1.2 What proportion of the Hospitality and Tourism workforce work in each segment?

The Hospitality and Tourism workforce is made up of multiple sub-segments, which have been defined previously in section 2.1.1 above for the purposes of this study.

The following figure shows that *'restaurant'* and *'hotel'* related businesses are the two largest segments of the Hospitality and Tourism sector, accounting for over 86% of the workforce. As such, any changes in these two segments will inevitably have a large effect on the Hospitality and Tourism workforce overall.

Figure 5: Proportion of UK Hospitality and Tourism workforce that works in each segment, 2017



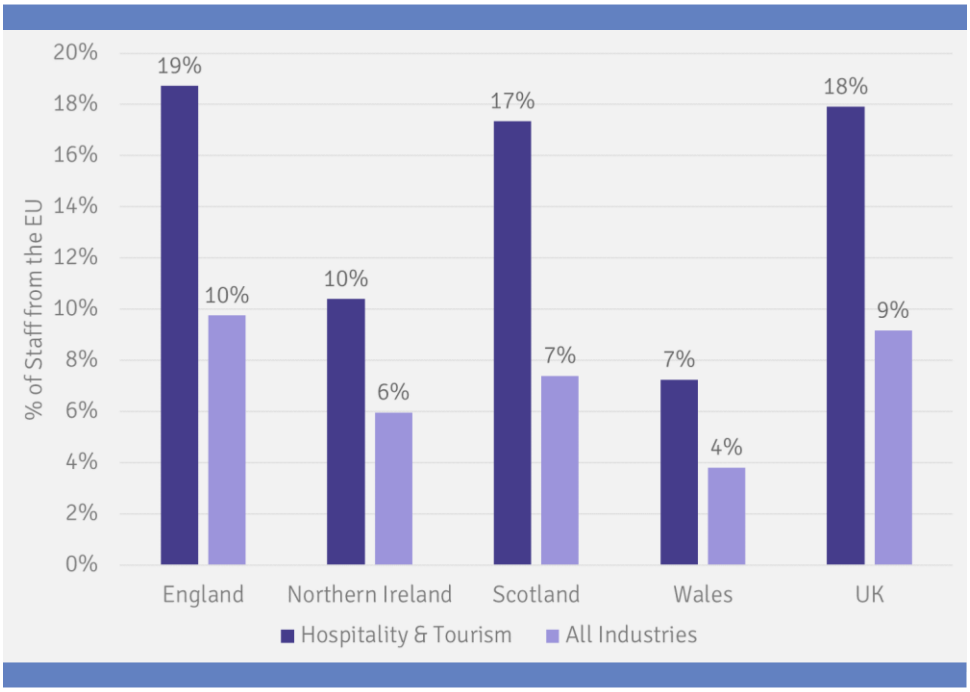
Source: Economic Insight analysis of ESS 2017.

Unweighted base size: All establishments from Hospitality and Tourism sector in the UK (2017=9,503).

3.1.3 What proportion of the UK Hospitality and Tourism workforce is from the EU?

A large proportion of UK Hospitality and Tourism staff is from the EU compared to all UK industries, as illustrated in the following figure.

Figure 6: Proportion of EU workers, UK regions, 2017



Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: see chapter 8.

Findings from the literature

A report by KPMG[10] (2017) estimates that between 12.3% and 23.7% of the Hospitality and Tourism workforce is from the EU. It further estimates that employers most reliant on EU migrants are all Hospitality sub-sectors in London; hotels; and restaurants, especially waiting staff, chefs and housekeeping staff. The report further finds that EU nationals tend to work in more labour-intensive roles, and that less than 1% of EU nationals in the sector hold '*higher managerial and professional'* positions.

A further report by People1st[11] (2017) estimates that 24% of the Hospitality and Tourism workforce is made up of non-British nationals, with the majority of these coming from outside the EU. It estimates that London, the South West, South East, East of England and the West Midlands are more dependent than other regions on EU nationals to make up their workforce, where there is an acute shortage of appropriate applicants for roles.

The House of Commons Committee on Exiting the European Union[12] (2017) was based on information provided in the above mentioned reports and further added that EU workers are usually employed in the labour-intensive parts of the industries, particularly roles in hotels, restaurants, hospitality and attractions.

This is a concern that has been voiced multiple times as well during the in-depth interviews, as highlighted in the following box.

10 KPMG (March 2017), 'Labour migration in the hospitality sector: A KPMG report for the British Hospitality Association.'

11 People1st (April 2017), 'Migrant workers in the Hospitality and Tourism sector and the potential impact of labour restrictions.'

12 The House of Commons Committee on Exiting the European Union (September 2017), 'Tourism Sector Report.'

Box 1: The impacts of EU Exit on the current workforce

Multiple stakeholders expressed their concerns around EU Exit and the repercussions this will have on the existing workforce. In particular, the following issues were raised:

- As the UK is at almost full employment, there are concerns that if there are restrictions around labour from the EU (or outside the EU) entering the labour market, this will have a negative impact on some key Hospitality and Tourism sectors.
- Some interviewees identified the poor ability of UK citizens to speak foreign languages. There is a concern that it will become cumbersome to recruit front-of-house staff with multiple language capabilities. This is a pertinent issue across most Hospitality and Tourism segments, as by definition staff are interacting with tourists from various countries.
- Some interviewees further expressed the need to 'pull-in' the 'native' workforce to undertake some jobs that are mostly filled by EU or non-EU workers.

Source: Economic Insight in-depth interviews.

ALMOST HALF (45%) OF ALL THE STAFF IN THE UK HOSPITALITY AND TOURISM SECTOR WORKS IN ROLES WHERE STAFF BEHAVIOURS MAKE THE CRUCIAL DIFFERENCE TO A GREAT CUSTOMER EXPERIENCE.

3.2 What are the Hospitality and Tourism job types **by segment**?

As set out previously, the largest Hospitality and Tourism segments are: *'restaurant & pub';* and *'hotel'* and related businesses; followed by: *'sport & recreation'*; *'travel agency'*; *'catering'*; *'event management';* and *'passenger transport'* businesses.

In the following, a brief overview of each of the above is provided. In some cases, it is clear that the segments will inevitably employ people in similar jobs (e.g. a hotel may have a bar and restaurant, and hence require similar staff to a restaurant or pub). However, equally there are certain segments that require a more diverse set of staff and for which the overlap of requirements with other segments will be more limited.

- **Hotel & related.** There are a wide range of jobs in the hotel segment, ranging from hotel porter and kitchen assistants, through to supervisory and managerial positions. For a lot of the *'entry level' positions*, many employers say that the willingness to work hard and having a good attitude are the most important things they look for. For *public facing roles*, such as bar staff or waiting staff, good people skills and an appreciation of the importance of customer service are an advantage. Progression in the industry is most likely for committed workers who are willing to take on new responsibilities.
  - Typical roles include: assistant bar manager; assistant events co-ordinator; assistant events organiser; assistant exhibitions co-ordinator; assistant general manager; assistant head housekeeper; bar manager; bar person; chef; cleaner; conference & banqueting manager; events co-ordinator; events manager; exhibitions co-ordinator; exhibitions manager; food & beverage manager; front office manager; front-of-house manager; general manager; head chef; head housekeeper; head porter; head receptionist; head waiter; housekeeping supervisor; junior / commis chef; junior waiter; kitchen porter; linen room assistant; owner; porter; receptionist; regional manager; restaurant manager; room attendant; sales agent; sales executive; senior manager; senior / sous chef; stillroom assistant; venue manager; waiter; wine waiter; yield and sales manager.
- **Restaurant, pub & related.** Similar to the segment above, there are a wide range of jobs types, ranging from kitchen porter and waiters and waitresses, through to supervisory and managerial positions. The entry and progression requirements in this segment are as per above.
  - Typical roles include: assistant bar manager; assistant general manager; bar manager; bar person; chef; cleaner; food & beverage manager; general manager; head chef; head waiter; junior / commis chef; junior waiter; kitchen porter; owner; regional manager; restaurant manager; senior manager; senior / sous chef; waiter; wine waiter.
- **Travel agency.** The travel agency segment is characterised by a range of jobs, from travel agents to supervisory and managerial positions. For a lot of the positions in travel services, different companies have different entry requirements. Most would expect applicants to be educated to degree level (although this is not always necessary). Perhaps more important, though, is an interest in travel - demonstrated by a lot of overseas travel. Crucially, many of the larger travel companies will provide in-depth training for their staff with detailed induction packages and extensive on-the-job training. Senior roles are heavily populated by people already within the industry, indicating good scope for internal progression.

- Typical roles include: business travel agency manager; consultant – business travel agent; consultant - leisure travel agent; customer service agent; general manager; home working travel consultant; junior consultant – business travel agent; junior consultant – call centre; junior consultant – leisure travel agent; leisure travel agency manager; manager call centre; marketing officer; owner; procurement officer; regional manager; reservations manager; senior consultant – business travel agent; senior manager; supervisor call centre; travel consultant call centre.

- **Sport & recreation.** Job roles vary from park rangers to curators and front-of-house staff. For a lot of the positions in this segments, different organisations will have different entry requirements. For some roles, such as curatorial roles, academic qualifications may be required, whereas for others, such as front-of-house staff, more personal skills and the ability to speak foreign languages are of value.

- **Passenger transport.** There are several different jobs in the passenger transport segment ranging from travel assistants to air traffic controllers. Depending on role pursued, no to very technical qualifications may be required to exert the profession.

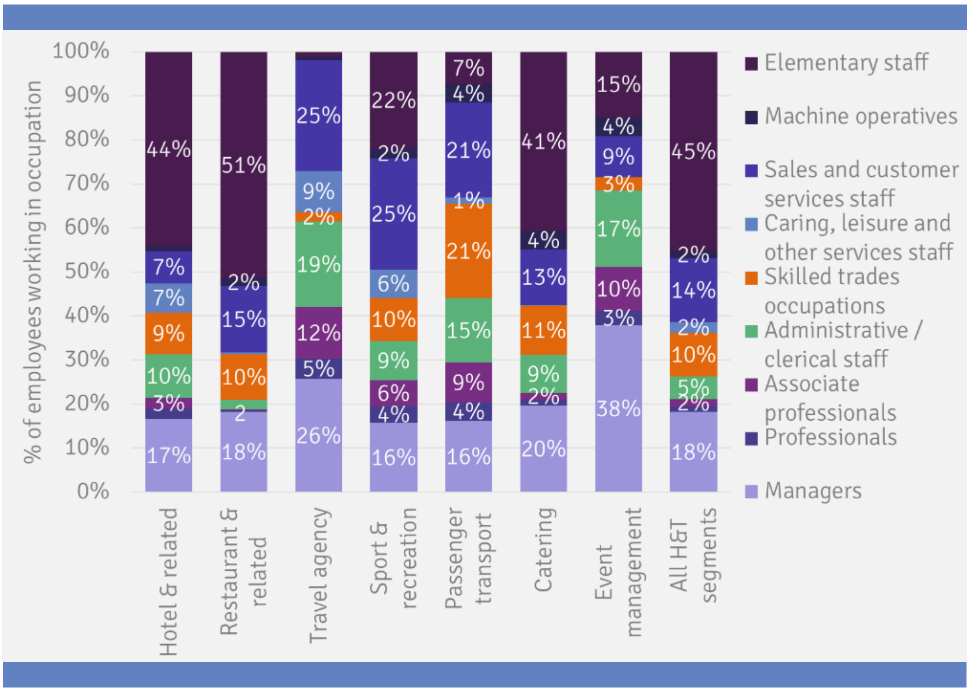
- **Catering.** There are a wide variety of jobs in the catering segment ranging from kitchen assistants and chefs through to supervisory and managerial positions.
  - Typical roles include: assistant bar manager; assistant general manager; assistant restaurant manager; bar manager; bar person; chef; cleaner; conference & banqueting manager; crew member; floor manager; food & beverage manager; front office manager; front-of-house manager; general manager; head chef; had receptionist; head waiter; host; junior / commis chef; junior waiter; kitchen porter; owner; porter; regional manager; restaurant manager; ales agent; sales executive; senior manager; senior / sous chef; waiter; wine waiter; yield and sales manager

- **Event management.** There are a wide variety of jobs in the event management segment, from festival assistant to public relations (PR) assistant and head of content. One of the issues that was highlighted during one of the in-depth interviews was that there is no specific SIC code for event management as it is understood by industry, and that there is no single advocacy body for this industry. Common skills required across all event management roles though are project management, account management, budget management, business development and sales.

The following figure illustrates the distribution of job types across the different Hospitality and Tourism segments. This shows that the distribution of 'job types' within the two largest segments ('*hotel*' and '*restaurant*' related businesses) is driving the overall Hospitality and Tourism job type distribution, as determined by the high level 1-digit SOC codes, with 45% of Hospitality and Tourism job types being **roles where staff behaviours make the crucial difference to a great customer experience** – classified by the ONS as '**elementary' roles.** These include, for example, kitchen and catering assistants; waiters and waitresses; bar staff; and leisure and theme park attendants. This is then followed by employees in **managerial roles** (18%), as well as those in **sales and customer service roles** (14%) and **skilled trades occupations** (10%), such as, bakers and flour confectioners; chefs; and cooks.

THE HOSPITALITY AND TOURISM SEGMENTS DRIVING THE MAJORITY OF STAFF IN ELEMENTARY ROLES ARE RESTAURANTS, PUBS & RELATED, FOLLOWED BY HOTEL & RELATED AND CATERING.

Figure 7: Distribution of Hospitality and Tourism job types 2017 – 1-digit SOC2010, UK



Source: Economic Insight analysis of ESS 2017.

Unweighted base size: UK Hospitality and Tourism sector establishments in 2017 ('Hotel & related'=1,454; 'Restaurant & related'=6,844; 'Travel agency'=351; 'Sport & recreation'=596; 'Passenger transport'=39; 'Catering'=155; 'Event management'=64; 'All H&T segments'=9,503).

Compared to the Hospitality and Tourism sector average distribution of job types, the '*travel agency*'; '*passenger transport*'; '*event management*' and '*sport & recreation*' segments employ less staff in elementary roles than the '*restaurant & related*' segment. This is illustrated in the following table, which shows the difference between the UK segment's proportion of staff in a role, compared to the UK Hospitality and Tourism sector average.

THE TABLE ON THE RIGHT ILLUSTRATES WHETHER A HOSPITALITY AND TOURISM SEGMENT EMPLOYS MORE OR LESS WORKERS OF A KIND THAN THE HOSPITALITY AND TOURISM SECTOR AVERAGE.

FOR EXAMPLE, COMPARED TO THE HOSPITALITY AND TOURISM SECTOR AVERAGE, THE '*HOTELS & RELATED*' SEGMENT EMPLOYS 2 PERCENTAGE POINTS LESS MANAGERS, WHEREAS IT EMPLOYS 4 PERCENTAGE POINTS MORE CARING, LEISURE AND OTHER SERVICES STAFF.

Table 12: Percentage point difference between UK segment and UK Hospitality and Tourism staff in role, 2017

	Hotel & related	Restaurant & related	Travel agency	Sport & recreation	Passenger transport	Catering	Event management
Unweighted base	*1,454*	*6,844*	*351*	*596*	*39*	*155*	*64*
Managers	-2%	0%	7%	-3%	*-2%*	1%	20%
Professionals	1%	-1%	3%	3%	*3%*	0%	2%
Associate professionals	1%	-1%	10%	4%	*7%*	0%	8%
Administrative / clerical staff	5%	-3%	14%	4%	*9%*	3%	12%
Skilled trades occupations	0%	1%	-8%	0%	*12%*	1%	-7%
Caring, leisure and other services staff	4%	-2%	7%	4%	*-1%*	-2%	-2%
Sales and customer services staff	-7%	1%	11%	11%	*7%*	-2%	-5%
Machine operatives	-1%	0%	-1%	0%	*3%*	2%	3%
Elementary staff	-1%	6%	-44%	-23%	*-38%*	-5%	-30%

Source: Economic Insight analysis of ESS 2017.

As can be seen, '*event management*' and '*travel agency*' employ more staff in managerial; administrative / clerical and associate professional roles, compared to the Hospitality and Tourism sector as whole. Similarly, the '*passenger transport*' segment employs more staff in skilled trades occupations compared to the UK Hospitality and Tourism sector as a whole.[13]

[13] *This could be driven by those employed in vehicle trades occupations (SOC = 523). The ESS data does not allow to go below the 1-digit SOC classification for the current workforce, as such further detail on what job-types might be driving this distribution here cannot be provided.*

COMPARED TO ALL UK INDUSTRIES, UK HOSPITALITY AND TOURISM EMPLOYS FEWER STAFF IN PROFESSIONAL ROLES.

How does the Hospitality and Tourism sector job type distribution compare to the UK overall?

Compared to the job types across the UK economy, the UK Hospitality and Tourism sector employs significantly more staff in elementary roles and less staff in professional roles, as illustrated in the following heatmap.

Table 13: Percentage point difference between UK Hospitality and Tourism and UK all industries staff in role, 2017

1-digit SOC2010	UK Hospitality and Tourism	UK all industries	UK Hospitality and Tourism – UK all industries
Managers	18%	17%	2 ppts
Professionals	1%	13%	-11 ppts
Associate professionals	2%	7%	-65 ppts
Administrative / clerical staff	5%	13%	-8 ppts
Skilled trades occupations	10%	7%	3 ppts
Caring, leisure and other services staff	2%	9%	-7 ppts
Sales and customer services staff	14%	13%	1 ppts
Machine operatives	2%	8%	-6 ppts
Elementary staff	45%	14%	32 ppts

Source: Economic Insight analysis of ESS 2017.

Unweighted base size: see chapter 8, tables 62 and 63 for base sizes.

Have the Hospitality and Tourism job types changed over time?

The make up of the Hospitality and Tourism workforce job types has remained relatively stable over time. That is, there do not appear to have been any shifts in technology or otherwise that have dramatically changed the make up of the Hospitality and Tourism workforce.

'Skills shortages in hospitality are increasingly seen in terms of generic, rather than specific, technical competencies. Studies of employer expectations of graduates note demand for communication, people management and problem solving, as the priority in both the US and Europe.'

This chimes with findings from the literature that although the Hospitality and Tourism sector is affected by digitisation and technological developments, there is less scope for automation, as it is very much a customer experience focused sector. Instead, what has changed in Hospitality and Tourism jobs is the type of skills required. For example, Baum[14] (2002) found that skills required in the sector had changed. In particular, there had been a 'McDonaldisation'. That is, that standardisation and technological substitution may have changed the skills needed in the sector, especially with the growth of the fast food sector; budget accommodation;

[14] *Tom Baum (2002), 'Skills and training for the hospitality sector: a review of issues.' Journal of Vocational Education and Training, 54:3, 343-364.*

and the growth of no-frills airlines. The study further puts forward that there have been changes in the sector, for example there being an increased need to be 'multi-skilled'. It also emphases the diverse nature of hospitality work, along both the horizontal and vertical dimensions. Horizontally, the paper claims there is little unique about the skills needed to work in hospitality; and in fact, "*most of the skills that are employed within the sector also have relevance and application in other sectors of the economy*".[15]

Changes may also affect some segments more than others. For example, there has been a shift in pubs increasingly offering accomodation, as well as expanding their food offer. The following box summarises some key themes around these issues that arose in the in-depth interviews.

Box 2: The Hospitality and Tourism job types

The in-depth interviews confirmed the above points, in that most of the Hospitality and Tourism workforce job types are labour-intensive roles, which require great people skills and engagement with customers. All segments have their slight nuances and differences, for example:

- In the sport & recreation sector, which includes visitor attractions; there can be a wide variety of job types, from front-of-house staff, customer experience staff, to zoologists, horticulturalists and more academic positions. Entry requirements and career paths for those different roles will differ – with some requiring no academic qualifications or previous experience, to others which require academic qualifications.
- Similarly, for restaurants, pubs & related, front-of-house and back-of-house roles were mentioned as being of greatest importance, with managerial roles only making up a fraction of the workforce. Here again, an emphasis was made around the workforce needing the right behaviours and attitudes to provide customers with a great experience, rather than needing any formal qualifications.
- In relation to how changes affect the different segments, one of the responses of the pub sector to the smoking ban was to start offering more services – including accommodation and an increased food offer. In addition, the changing pub landscape means a multi-skilled workforce is required - as the characteristics required to run a pub are very varied - and range from the need to be entrepreneurial; be able to budget; plan stock; be customer facing; and engage with clients etc.
- In terms of how technological change affects the workforce, one respondent considered that regardless of technological improvements, Hospitality and Tourism would remain a people business. Whilst robotics and other technological development may influence the 'behind the scenes' operations, the stakeholders considered that this could only go "so far".

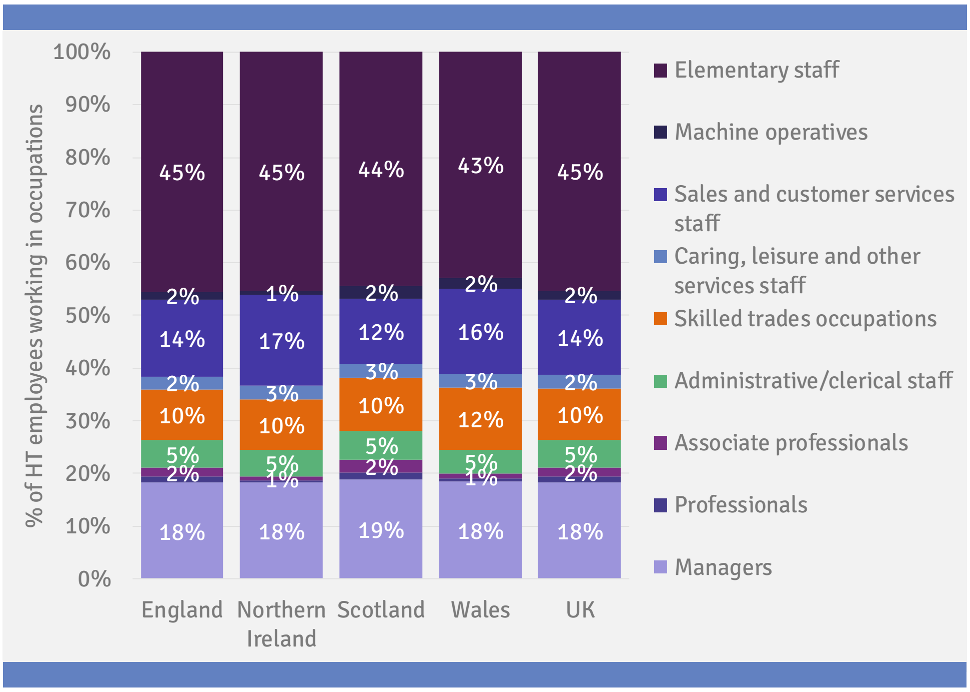
Source: Economic Insight in-depth interviews.

[15] *Tom Baum (2002), 'Skills and training for the hospitality sector: a review of issues.' Journal of Vocational Education and Training, 54:3, 343-364.*

3.3 What are the Hospitality and Tourism job types **by location**?

The following figure shows the distribution of different **job types** in the Hospitality and Tourism sector across the UK nations. As can be seen, the mix of job types is broadly similar in this dimension.

Figure 8: Distribution of Hospitality and Tourism job types 2017 – 1-digit SOC2010, UK nations

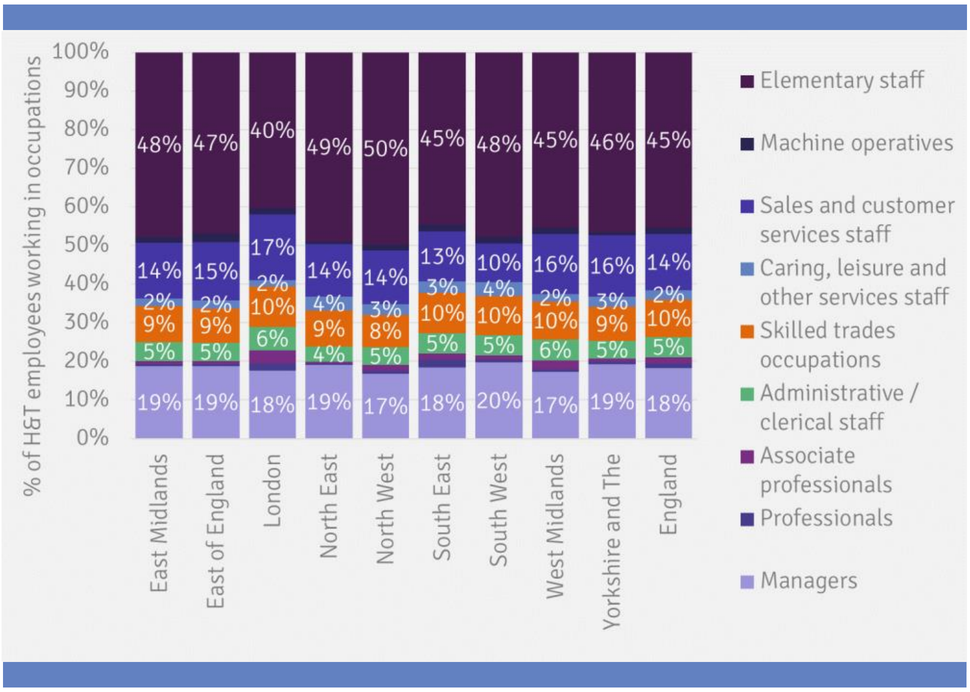


Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: All Hospitality and Tourism establishments (England=7,732; Northern Ireland=428; Scotland=658; Wales=685; and UK=9,503).

Looking within the English regions, again the overall job type mix is broadly similar.

Figure 9: Distribution of Hospitality and Tourism job types 2017 – 1-digit SOC2010, England regions

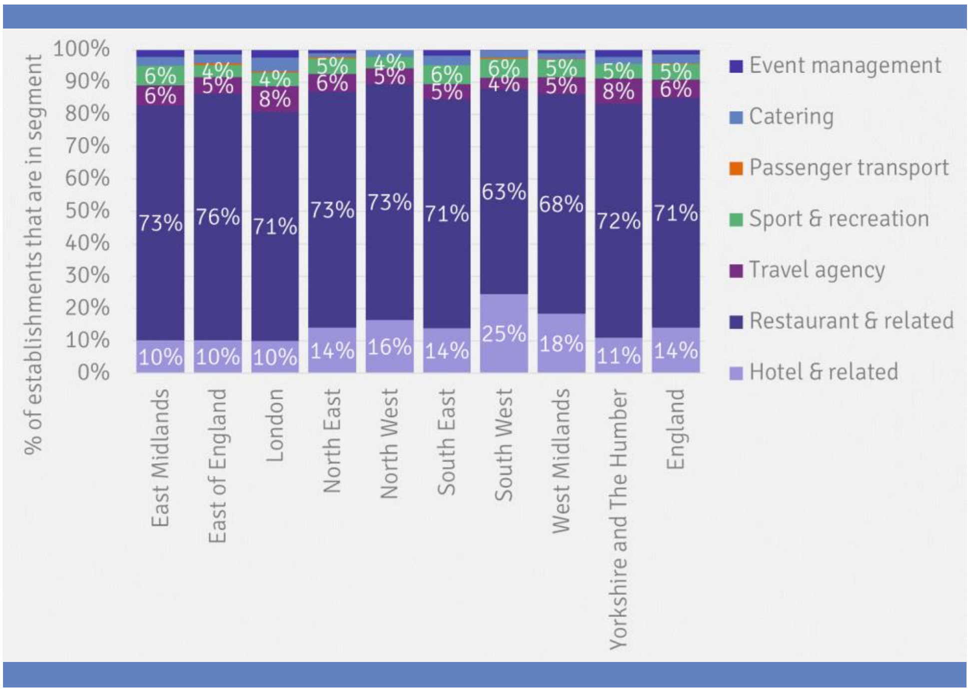


Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: See chapter 8.

Following from the above, the next figure shows the distribution of 'establishments' by region. This is closely related the distribution of job types described above (in that there is likely some causality between the types of establishments by region and job types needed).

Figure 10: Distribution of Hospitality and Tourism establishments 2017 by segment, England regions



Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: See chapter 8.

As can be seen, the findings above in relation to which job types are required in which location chime with where the different types of establishment are. For example, London has a below average proportion of *'hotels & related'* establishments as proportion of all Hospitality and Tourism establishments, and an average proportion of '*restaurants, pubs & related*' ones. This could potentially be driving the slightly lower proportions of elementary roles, set out previously.

3.4 What are most important skills to undertake these job types?

The online survey undertaken as part of this research project asked Hospitality and Tourism employees which '*technical and practical'*; and which '*soft and people'* skills they considered necessary to fulfil their roles.

The following table illustrates the technical skills employees considered necessary to undertake their roles.

Table 14: Technical skills important for role, UK, 2019

	UK Hospitality and Tourism
Base	*268*
Strong industry knowledge	33%
Computer literacy / basic IT skills	30%
Solving complex problems requiring a solution specific to the situation	29%
Reading and understanding instructions, guidelines, manuals and reports	27%
Business skills	27%
Basic numerical skills and understanding	26%
Adapting to new equipment or materials	22%
Digital skills	20%
Writing instructions, guidelines, manuals, reports	17%
Manual dexterity – for example mend, repair, assemble, construct or adjust things	14%
Advanced or specialist IT skills	13%
More complex numerical and statistical skills and understanding	11%
Communicating in a foreign language	11%
Specialist skills or knowledge needed to perform the role, please specify:	9%

Source: Economic Insight online survey.

The following table illustrates which soft and people skills respondents considered to be the most important to fulfil their roles. As can be seen, '*team working and working* *with people*', as well as '*customer handling skills*' were mentioned most frequently. This further demonstrates the importance of human interaction and general people skills for roles in Hospitality and Tourism.

Table 15: Soft skills most important for role, UK, 2019

	UK Hospitality and Tourism
Base	*268*
Team working and working with people	53%
Customer handling skills	49%
Flexibility	40%
Ability to manage own time and prioritise own tasks	38%
Motivation	31%
Managing or motivating other staff	31%
Managing their own feelings, or handling the feelings of others	22%
Persuading or influencing others	22%
Instructing, teaching and training people	19%
Sales skills	17%
Setting objectives for others and planning human, financial and other resources	13%
Making speeches or presentations	9%
Specialist skills or knowledge needed to perform the role	3%

Source: Economic Insight online survey.

3.5 What are the motivations to join and perceptions around joining the Hospitality and Tourism workforce?

The online employee survey asked workers within the Hospitality and Tourism sectors as to what motivated them to pursue a job in Hospitality and Tourism. The following table illustrates that across all Hospitality and Tourism segments, because '*it fit respondents' lifestyle'* was the most frequently cited reason (38%), followed by '*personal interest'* (34%).

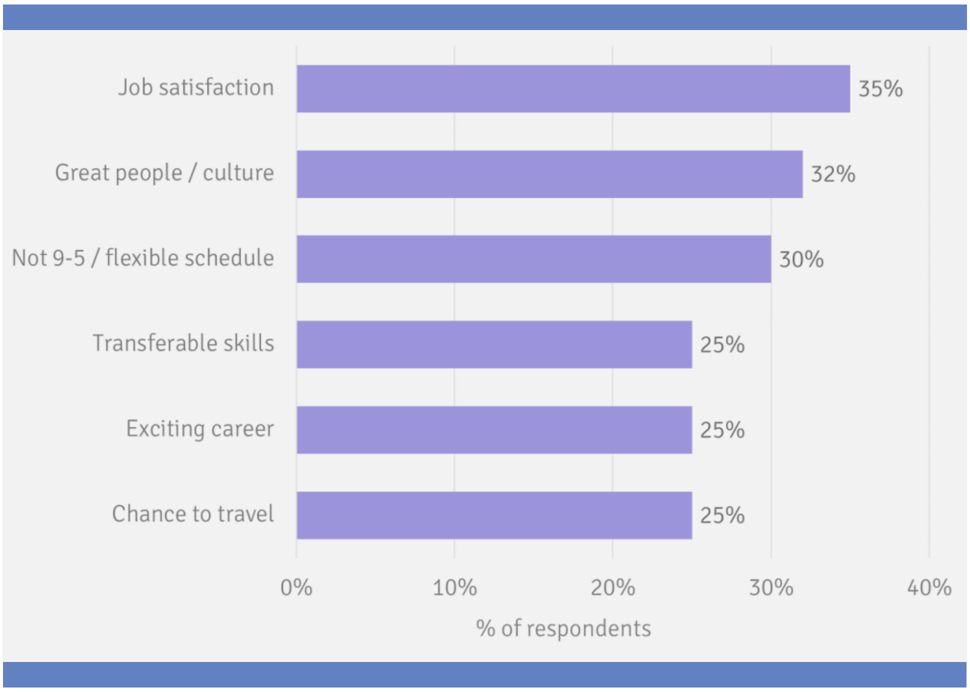
Table 16: Reasons for choosing job type, UK, 2019

	UK Hospitality and Tourism
Base	*268*
It fits my lifestyle	38%
Personal interest	34%
Well matched to my skills / qualifications	33%
Financial rewards / pay	24%
Work experience	21%
Saw it as the right career choice	21%
Wanted a career change	21%
Suggested by family / friends / teacher	11%
Seems like an easy job	10%

Source: Economic Insight online survey.

The most common perceptions around the Hospitality and Tourism sector before starting to work in the current role are that there is high job satisfaction (cited by 35% of employees), followed by great people / culture (32%). Other reasons are illustrated in the next figure.

Figure 11: Top 5 perceptions around the Hospitality and Tourism sector, employees, all Hospitality and Tourism segments, UK, 2019



Source: Economic Insight online survey.

Unweighted base size: All UK Hospitality and Tourism employee respondents=268.

When asked how accurate these perceptions were, 87% of respondents thought that the perception around job satisfaction was accurate, whereas 91% of respondents considered great culture / people to be accurate.

3.6 What are the levels of low pay?

UK HOSPITALITY AND TOURISM AVERAGE GROSS WEEKLY WAGES ARE CA. 25% BELOW THE UK AVERAGE.

The following figure shows the calculated UK Hospitality and Tourism average wage at the 2- and 4-digit SIC code levels, compared to the average UK and UK retail gross weekly wage for a full-time job. As can be seen, wages are trending up over time – but UK Hospitality and Tourism wages are roughly 25% below the UK's average and 5% below UK retail average gross weekly wages.

Figure 12: UK Hospitality and Tourism, UK retail and all industries average weekly wages (full-time), 2011 – 2017.

Source: Economic Insight analysis of ONS ASHE.

Unweighted base size: See ONS ASHE tables.

Whilst Hospitality and Tourism wages are below the UK average, as observed above, they are growing. Accordingly, the following table summarises the annual growth rates in wages.

HOSPITALITY AND TOURISM AVERAGE GROSS WEEKLY WAGES GREW AT A FASTER RATE THAN THE OVERALL UK ECONOMY AND FOLLOWED A SIMILAR TREND TO RETAIL WAGES.

Table 17: Year-on-year growth of gross weekly full-time wages, 2011-2017, UK

	2012	2013	2014	2015	2016	2017	2011-2017
UK Hospitality and Tourism (2-digit SIC)	1.8%	3.7%	-1.2%	3.5%	3.9%	4.8%	17.5%
UK Hospitality and Tourism (4-digit SIC)	1.6%	3.7%	-1.7%	3.5%	0.3%	7.0%	15.1%
UK retail	2.9%	4.0%	-0.6%	3.5%	3.5%	1.9%	16.1%
UK all industries	0.8%	2.0%	0.1%	1.0%	2.9%	2.5%	9.7%

Source: Economic Insight analysis of ONS ASHE 2011-2017.

Unweighted base size: See ONS ASHE tables.

3.6.1 What are the levels of pay **by location**?

The next table shows the differences in average Hospitality and Tourism sector pay in a region, and the overall average Hospitality and Tourism pay for the UK as a whole. There is considerable variation. For example, in the North East, Hospitality and Tourism average wages are 42% below the UK average for Hospitality and Tourism as a whole. In contrast, Hospitality and Tourism wages in London are 19% above the overall UK average for Hospitality and Tourism. Of course, to a large extent this will reflect 'general' differences in labour market conditions from region-to-region, rather than Hospitality and Tourism specific factors (i.e. average wages for all job types will be higher in London).

Table 18: Percentage difference between 2-digit SIC UK Hospitality and Tourism average gross weekly pay and regional Hospitality and Tourism gross weekly pay, 2017

Regions	2017
East Midlands	-18%
East	-2%
London	19%
North East	-42%
North West	-6%
South East	-20%
South West	-21%
West Midlands	-16%
Yorkshire and Humber	-23%
Scotland	-31%
Wales	-22%

Source: Economic Insight analysis of ONS ASHE.

Unweighted base size: see ONS ASHE tables.

In addition, differences may also reflect differences relating to the composition of the 'segments' within Hospitality and Tourism and the extent to which these vary by region. For example, '*hotels & related*' and '*restaurants, pubs & related*' salaries are generally lower compared to the Hospitality and Tourism sector average. Consequently, regions with a higher proportion of firms / employees in these segments might be expected to have lower overall average Hospitality and Tourism wages. Accordingly, the following table summarises the difference between average wages for each Hospitality and Tourism segment, relative to the overall UK average Hospitality and Tourism wages.

COMPARED TO THE AVERAGE UK HOSPITALITY AND TOURISM SALARY, STAFF IN THE HOTEL & RELATED AND RESTAURANT & RELATED SEGMENTS ARE PAID CA. 20% LESS.

Table 19: Percentage difference between 2-digit SIC UK segment average weekly full-time wage and UK Hospitality and Tourism average weekly full-time wage, 2017

Segment	2017
Hotel & related	-18%
Restaurant & related	-21%
Travel agency	13%
Sport & recreation	29%
Passenger transport	51%
Event management	23%

Source: Economic Insight analysis of ONS ASHE.

Unweighted base size: see ONS ASHE tables.

Eurostat[16] (2015), further puts forward that labour costs and earnings are lower in the tourism industries than in the total economy, especially in the accommodation sub-sector. The study further considers this not to be surprising given the young, and temporary nature of the workforce.

3.6.2 What are the levels of pay by **job type**?

As set out above, low pay is more pronounced in different Hospitality and Tourism segments for which a higher proportion of staff are employed in elementary roles. In the following, how full-time gross weekly pay has evolved in the UK for some of these specific roles is examined. Then, an assessment as to whether there are regional variations for different Hospitality and Tourism occupation's wages is provided.

Table 20: Year-on-year % change in average UK full-time gross weekly pay, 2011 - 2017

	2012	2013	2014	2015	2016	2017	2011-2017
Elementary occupations							
Kitchen and catering assistants	0.3%	2.3%	1.9%	3.1%	8.6%	3.8%	21.5%
Waiters and waitresses	2.1%	0.3%	2.2%	3.3%	2.9%	4.6%	16.4%
Bar staff	1.3%	-0.5%	-0.3%	6.1%	1.9%	8.7%	18.1%
Leisure and theme park attendants	-5.1%	9.6%	0.2%	0.1%	0.8%	11.4%	17.3%
Other elementary services occupations n.e.c.	-6.0%	-0.3%	4.8%	5.5%	1.7%	13.3%	19.3%
Skilled trades occupations							
Chefs	-0.9%	1.3%	-0.1%	1.5%	5.4%	6.4%	14.1%
Cooks	3.7%	-3.5%	-0.7%	0.0%	3.0%	2.5%	4.9%
Catering and bar managers	1.1%	-4.3%	3.2%	-0.5%	1.5%	5.1%	6.0%
Managers							
Hotel and accommodation managers and proprietors	2.5%	-4.7%	-11.2%	-0.3%	-7.1%	6.0%	-14.9%

THE TABLE ON THE RIGHT ILLUSTRATES THE YEAR-ON-YEAR GROSS WEEKLY WAGES GROWTH FOR SPECIFIC ROLES OF RELEVANCE TO THE HOSPITALITY AND TOURISM SECTOR.

FOR EXAMPLE, WE CAN SEE THAT GROSS WEEKLY WAGES FOR KITCHEN AND CATERING ASSISTANTS GREW BY 0.3% BETWEEN 2011 AND 2012 AND THAT BETWEEN THE WHOLE PERIOD (2011-2017) THEY GREW BY 21.5%.

[16] *Eurostat (2015), 'Tourism industries – employment'.*

	2012	2013	2014	2015	2016	2017	2011-2017
Restaurant and catering establishment managers and proprietors	1.8%	2.0%	4.1%	-5.2%	2.5%	3.6%	8.9%
Publicans and managers of licensed premises;	6.2%	3.4%	2.6%	-7.6%	9.6%	5.0%	19.8%
Leisure and sports managers	-2.3%	2.4%	4.5%	2.7%	-1.2%	-0.8%	5.2%
Travel agency managers and proprietors	-13.5%	x	x	2.0%	-7.1%	7.2%	-5.9%
Overall UK comparisons							
UK Hospitality and Tourism (2-digit SIC)	1.8%	3.7%	-1.2%	3.5%	3.9%	4.8%	17.5%
UK all industries	0.8%	2.0%	0.1%	1.0%	2.9%	2.5%	9.7%

Source: Economic Insight analysis of ONS ASHE.

Unweighted base size: see ONS ASHE tables.

As can be seen in the table above, from 2011 to 2017, gross weekly wages for elementary occupations have increased more compared to both the UK Hospitality and Tourism average gross weekly wages, and that of all UK industries. This could indicate that some of the recruitment / retention issues are being mitigated by offering higher monetary incentives.

On the other hand, the change in gross weekly full-time wages for skilled trades occupations is **below** the UK Hospitality and Tourism average wage increase for the same period. This could potentially explain why there remain some skills shortages in these occupations, as staff may not be willing to work long hours for a below average remuneration.

In relation to managerial roles, the wage increase for publicans and managers of licensed premises is the only one that remains above the average UK Hospitality and Tourism wage growth for the period. This, again, could be an indication of the increased demand for those types of positions, and the monetary premium necessary to fill positions.

The following tables illustrate regional variations in gross weekly wages for a selection of more specific job types across the different higher-level aggregations, in specific more granular elementary and skilled trades roles, such as bar staff and chefs. For example, in 2017, compared to the UK average gross weekly wage, bar staff in the East Midlands were paid thirteen percent less. The following regions come across generally as paying below the UK average gross weekly wage: East Midlands, North

THE TABLE ON THE RIGHT SHOWS THE REGIONAL WAGE VARIATION FOR DIFFERENT JOB TYPES, COMPARED TO THE UK AVERAGE WAGE FOR THAT OCCUPATION.

FOR EXAMPLE, WE CAN SEE THAT AVERAGE GROSS WEEKLY WAGES FOR BAR STAFF IN THE EAST MIDLANDS ARE 13 PERCENT LOWER THAN THE UK AVERAGE GROSS WEEKLY PAY FOR BAR STAFF.

East, West Midlands, and Yorkshire and the Humber; as well as Scotland and Wales to a degree.

Table 21: Difference between regional and UK wages for 4-digit SOC - elementary, 2017

Region	Bar staff	Waiters and waitresses	Kitchen and catering assistants
East Midlands	-13%	-13%	-4%
East	-3%	4%	-3%
London	18%	11%	10%
North East	-10%	-14%	-8%
North West	-6%	4%	0%
South East	-4%	-4%	3%
South West	1%	-8%	-3%
West Midlands	-12%	-7%	-2%
Yorkshire and Humber	-1%	-7%	-6%
Scotland	-4%	-5%	-1%
Wales	-7%	2%	-4%

Source: Economic Insight analysis of ONS ASHE 2017.

Unweighted base size: see ONS ASHE tables.

Similarly, for skilled trades occupations, there are some regional variations, as illustrated in the following table.

THE TABLE ON THE RIGHT SHOWS THE REGIONAL WAGE VARIATION FOR DIFFERENT JOB TYPES, COMPARED TO THE UK AVERAGE WAGE FOR THAT OCCUPATION.

FOR EXAMPLE, WE CAN SEE THAT AVERAGE GROSS WEEKLY WAGES FOR CHEFS IN THE EAST MIDLANDS ARE 13 PERCENT LOWER THAN THE UK AVERAGE GROSS WEEKLY PAY FOR CHEFS.

Table 22: Difference between regional and UK wages for 4-digit SOC – skilled trades, 2017

Region	Chefs	Cooks
East Midlands	-13%	7%
East	-1%	-4%
London	15%	14%
North East	-3%	-2%
North West	-5%	-12%
South East	5%	4%
South West	-4%	-5%
West Midlands	-9%	-16%
Yorkshire and Humber	-7%	0%
Scotland	-7%	11%
Wales	-9%	6%

Source: Economic Insight analysis of ONS ASHE 2017.

Unweighted base size: see ONS ASHE tables.

Finally, this chimes with findings from the online survey of employees, as the following table with annual personal income before any deductions shows.

Table 23: Annual personal income before any deductions such as income tax or National Insurance, UK, 2019

	UK Hospitality and Tourism
Base	*268*
Under £10,000	9%
£10,000 - £14,999	7%
£15,000 - £19,999	13%
£20,000 - £24,999	13%
£25,000 - £29,999	13%
£30,000 - £34,999	8%
£35,000 - £39,999	7%
£40,000 - £44,999	4%
£45,000 - £49,999	6%
£50,000 - £74,999	9%
More than £75,000	5%

Source: Economic Insight online survey.

4. Job and skills deficits

This chapter illustrates the job and skills deficits within the Hospitality and Tourism sector. The following research questions are answered here: (i) what are the quantities of 'job types' deficits – by segment and location; (ii) what are the quantities of skills deficits – by segment and location; (iii) what are the skills deficits by segment and location; (iv) what are the levels of low pay, by job type and location; and (v) what are the employee churn rates?

4.1 What are the quantities of job types deficits by segment and location?

One way of measuring how many jobs are required by location is to examine the **vacancy density**. That is, **the number of vacancies divided by the number of staff currently employed**. The higher the proportion of vacancies out of current staff, the more acute the labour shortages.

The Hospitality and Tourism sector has a vacancy density slightly above the UK economy, as illustrated in the following table.

THE HOSPITALITY AND TOURISM SECTOR HAS A SLIGHLTY LARGER VACANCY DENSITY THAN THE UK OVERALL.

Table 24: UK vacancy density (vacancies / staff) over time

	2011	2013	2015	2017
UK Hospitality and Tourism vacancy density	3.2%	3.6%	5.1%	5.5%
UK all industries vacancy density	2.2%	2.4%	3.3%	3.5%

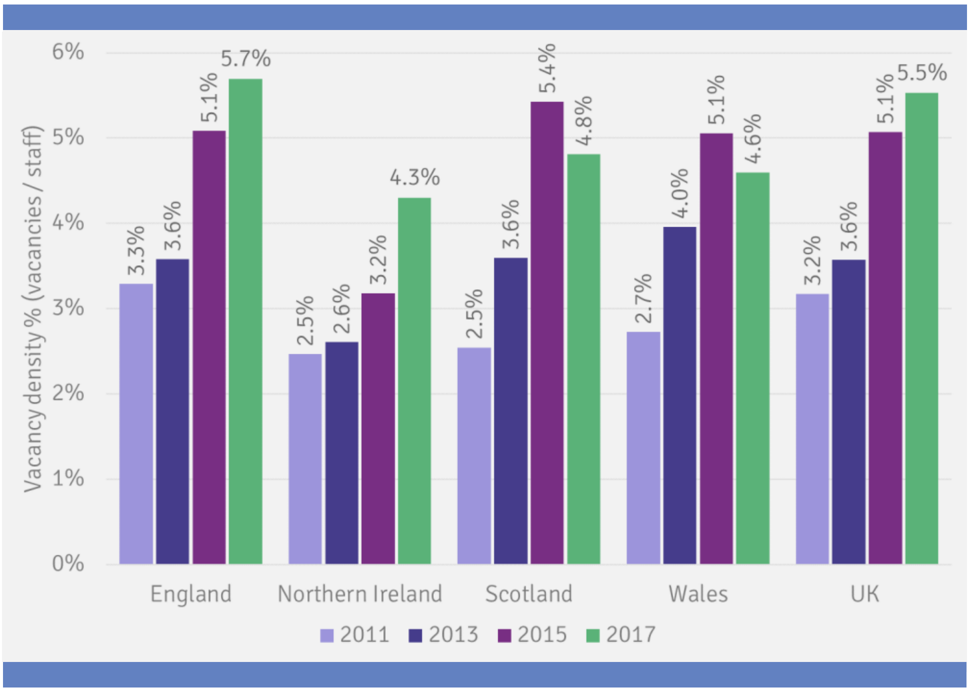
Source: Economic Insight analysis of ESS 2011, 2013, 2015, 2017.

Unweighted base sizes: UK Hospitality and Tourism establishments (2011=9,865; 2013=10,449, 2015=10,476; and 2017=9,503); UK establishments (2011=86,522; 2013=91,279; 2015=91,210; and 2017=87,430).

There is some regional and temporal variation in the Hospitality and Tourism vacancy density. For example, across all UK nations, the Hospitality and Tourism vacancy density has increased from 2015 compared to 2017, bar for Scotland, where it decreased from 5.4% (3.7%, 7.1%) in 2015 to 4.8% (3.2%, 6.4%) in 2017 and Wales, where it decreased from 5.1% (3.5%, 6.6%) in 2015 to 4.6%(3.0%, 6.2%) in 2017.

None of these changes is statistically significant – 95% confidence intervals in brackets. This is illustrated in the following figure.

Figure 13: Hospitality and Tourism vacancy density over time, UK nations

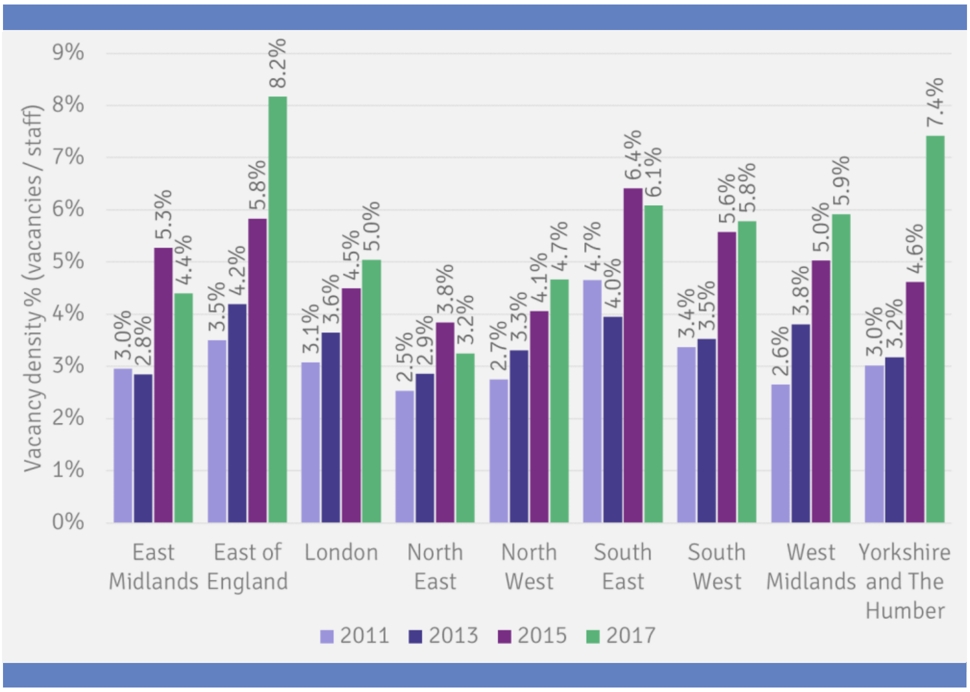


Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 64 for base sizes.

When looking at the English regions, there is some variation in terms of which ones have higher / lower vacancy densities, as well as how they have evolved over time. This is illustrated in the following figure.

Figure 14: Hospitality and Tourism vacancy density over time, England



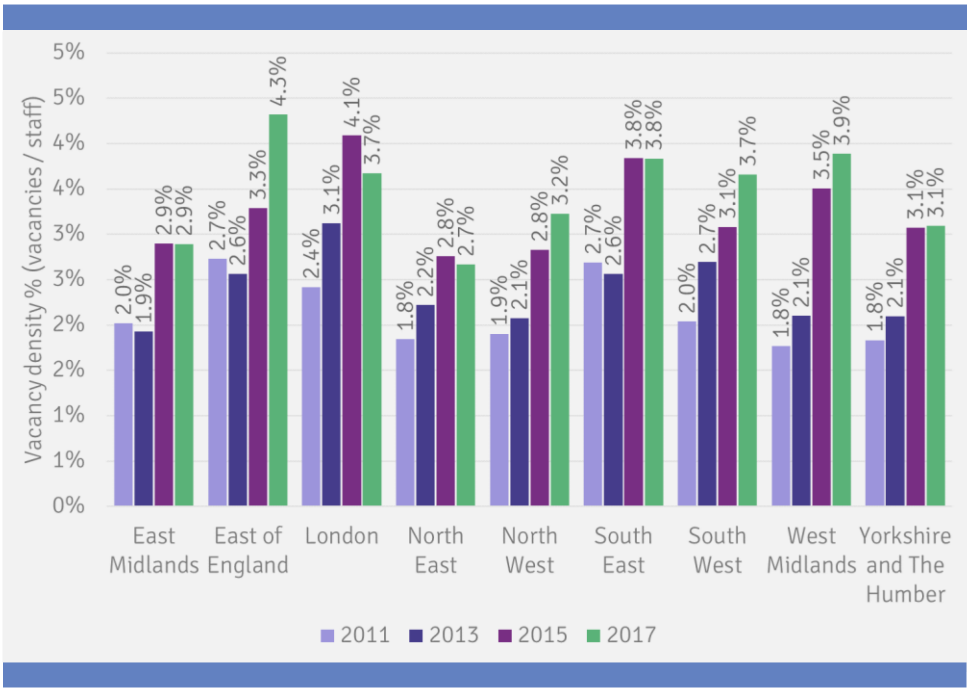
Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 62 for base sizes.

The vacancy density decreased in the East Midlands from 5.3% (3.7%, 6.9%) in 2015 to 4.4% (2.9%, 5.9%) in 2017, as well as decreasing in the North East from 3.8% (2.6%, 5.1%) in 2015 to 3.2% (1.9%, 4.6%) in 2017 and in the South East from 6.4% (5.0%, 7.8%) in 2015 to 6.1% (4.6%, 7.5%) in 2017. The vacancy density increased sharply in the East of England from 5.8% (4.3%, 7.4%) in 2015 to 8.2% (6.3%, 10.0%) in 2017 and in Yorkshire and the Humber from 4.6% (3.2%, 6.0%) in 2015 to 7.4% (5.6%, 9.3%) in 2017, this latter change being the only statistically significant one.

These changes are in line with the overall UK economy for the East of England, however they are more pronounced for the Hospitality and Tourism sector in the East Midlands, the South East and Yorkshire and the Humber, where for the UK economy vacancy density stayed the same between 2015 and 2017, as illustrated in the following figure.

Figure 15: UK all industries vacancy density over time, England



Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 65 for base sizes.

4.1.1 What are the quantities of job deficits by segment?

The following table shows the UK vacancy density for each occupation, by the different segments that make up the Hospitality and Tourism sector. For example, across the UK, there is a 1.7% vacancy density for managers in the '*hotel & related*' segment. This compares favourably to the overall vacancy for all occupations in the '*hotel & related*' segment, which stands at 5.0% for the UK.

THE TABLE ON THE RIGHT SHOWS HOSPITALITY AND TOURISM SEGMENT'S VACANCY DENSITY BY OCCUPATION.

FOR EXAMPLE, ACROSS THE '*HOTEL & RELATED*' SEGMENT THERE IS A VACANCY DENSITY OF 1.7% FOR MANANGERIAL ROLES.

Table 25: UK vacancy density (vacancies / staff) by segment, UK, 2017

	Managers	Associate professionals	Admin/ clerical staff	Skilled trades occupations	Caring, leisure and other services staff	Sales and customer services staff	Elementary staff	All occupations
Hotel & related	1.7%	8.0%	6.8%	6.9%	8.7%	0.9%	4.8%	5.0%
Restaurant & related	0.8%	7.5%	3.0%	9.9%	6.4%	1.6%	8.2%	6.0%
Travel agency	0.3%	*2.8%*	0.8%	**	18.5%	1.3%	**	3.3%
Sport & recreation	1.3%	10.7%	1.4%	1.7%	14.1%	6.3%	3.9%	4.8%
Passenger transport	0.3%	**	**	**	**	**	**	3.1%
Catering	0.2%	**	0.8%	6.4%	**	*1.2%*	3.6%	2.7%
Event management	0.1%	**	*1.8%*	**	**	**	**	5.7%
UK Hospitality and Tourism	0.9%	8.0%	3.9%	8.5%	10.8%	2.0%	7.3%	5.5%
UK all industries	0.6%	7.4%	2.2%	4.9%	4.7%	3.3%	3.9%	3.4%

*Source: Economic Insight analysis of ESS 2017. Note ** base sizes too low.*

Unweighted base sizes: see chapter 8, table 53.

As can be seen, there is a relatively low vacancy density for managerial positions for both the Hospitality and Tourism sector, as well as all industries, whereas it is higher for more labour-intensive roles. This chimes with findings from the in-depth interviews, in particular that recruitment for managerial roles is not an issue, compared to recruitment for more *'hands-on'*, labour-intensive roles.

4.1.2 What are the quantities of job deficits by location?

The following table illustrates the overall Hospitality and Tourism vacancy density for each occupation by the different regions. For example, there is a vacancy density of 0.5% for manager for the Hospitality and Tourism sector generally in the East Midlands.

THE TABLE ON THE RIGHT SHOWS THE HOSPITALITY AND TOURISM SECTOR VACANCY DENSITY BY REGION AND OCCUPATION.

FOR EXAMPLE, ACROSS THE HOSPITALITY AND TOURISM SECTOR THERE IS A VACANCY DENSITY OF 0.5% FOR MANANGERS IN THE EAST MIDLANDS.

FURTHER, IT CAN BE SEEN HOW VACANCY DENSITIES CHANGE BY REGION AND OCCUPATION.

FOR EXAMPLE, ACROSS THE UK, THE VACANCY DENSITY FOR MANAGERS IS 0.9%, AND ACROSS THE DIFFERENT REGIONS THERE IS A SPREAD BETWEEN REGIONS WITH LOWER VACANCY DENSITIES AT 0.5% (E.G. EAST MIDLANDS, NORTH WEST, SOUTH WEST, SCOTLAND AND WALES), AS WELL AS HIGHER ONES SUCH AS THE SOUTH EAST AT 1.5%.

Table 26: UK Hospitality and Tourism vacancy density (vacancies / staff), by region, 2017

	Managers	Associate professionals	Administrative / clerical staff	Skilled trades occupations	Caring, leisure and other services staff	Sales and customer services staff	Elementary staff	All occupations
East Midlands	0.5%	**	1.7%	5.5%	*8.8%*	1.6%	5.5%	4.3%
East of England	1.2%	*15.7%*	5.7%	10.2%	3.1%	7.8%	10.8%	8.1%
London	1.2%	5.4%	3.9%	6.1%	14.6%	1.5%	7.0%	4.9%
North East	1.0%	**	1.9%	6.6%	3.7%	0.8%	3.9%	3.2%
North West	0.6%	*6.3%*	4.3%	8.3%	10.2%	1.2%	5.9%	4.6%
South East	1.5%	10.5%	4.5%	10.8%	10.0%	2.2%	7.5%	6.1%
South West	0.5%	*7.3%*	3.2%	10.4%	7.7%	1.9%	7.6%	5.8%
West Midlands	0.9%	*6.1%*	5.8%	9.8%	12.4%	1.8%	7.7%	5.9%
Yorkshire and The Humber	0.8%	*13.1%*	2.5%	11.2%	3.4%	1.1%	12.0%	7.4%
England	1.0%	8.3%	4.0%	8.7%	9.0%	2.2%	7.6%	5.6%
Northern Ireland	0.9%	**	2.6%	7.6%	**	0.2%	6.2%	4.3%
Scotland	0.5%	*5.6%*	3.9%	8.2%	27.2%	1.7%	4.8%	4.8%
Wales	0.5%	**	3.1%	6.2%	*11.6%*	1.2%	6.5%	4.6%
UK	0.9%	8.0%	3.9%	8.5%	10.8%	2.0%	7.3%	5.5%
UK all industries	0.6%	7.4%	2.2%	4.9%	4.7%	3.3%	3.9%	3.4%

Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: see chapter 8, table 54.

The above illustrates that recruitment issues are not so much driven by different locations, but rather by the different job types. For example, across all regions there is a relatively low vacancy density for managerial roles, indicating that there are some recruitment issues, but these are not significant. On the other hand, when looking at skilled trades occupations, there is a higher vacancy density across the regions, too.

Some regions have slightly higher vacancy densities, but overall it appears to be more a job type effect, rather than a regional effect.

Box 3: Job deficits

The in-depth interviews also touched upon whether there were job types / regions that Hospitality and Tourism sector members found difficult to recruit for.

- Generally, stakeholders from various segments agreed that labour-intensive roles were the most difficult to recruit for. In particular:
  - In the sport & recreation segment, there were considered to be distinct role types, one more difficult to recruit for, whereas the other slightly easier / even being oversubscribed. For example, in the museums sub-sector it was considered that there was a steady stream of applications for curatorial roles, whereas it was more difficult to recruit front-of-house staff with the right skill-set.
  - In the restaurant, pub & related segment, one respondent considered that it was more difficult to recruit for labour intensive roles, compared to managerial roles. This chimes with the above.
- They also considered that rather than having one region that was difficult to recruit for, it was more dependent on how affluent the different areas are, and that it was more difficult to recruit for labour intensive positions in more affluent areas.

Source: Economic Insight in-depth interviews.

4.1.3 What are the differences between job deficits in UK Hospitality and Tourism and UK all industries?

The following table illustrates both the Hospitality and Tourism vacancy density by job type, as well as the UK all industries vacancy density.

THE TABLE ON THE RIGHT ILLUSTRATES THE DIFFERENCES BETWEEN HOSPITALITY AND TOURISM VACANCY DENSITIES BY OCCUPATION AND ALL UK INDUSTRIES.

FOR EXAMPLE, HOSPITALITY AND TOURISM HAS A 0.3 PERCENTAGE POINTS HIGHER VACANCY DENSITY FOR MANAGERS COMPARED TO ALL UK INDUSTRIES.

Table 27: Vacancy density % (vacancies / staff) comparison between UK Hospitality and Tourism and UK all industries, by job type, UK, 2017

	UK Hospitality and Tourism (%)	UK all industries (%)	Difference between UK Hospitality and Tourism and UK all industries (ppts)	95% confidence interval
Managers	0.9%	0.6%	0.3 ppts	[0.1%; 0.5%]
Professionals	3.0%	3.6%	-0.6 ppts	[-2.4%; 1.2%]
Associate professionals	8.0%	7.4%	0.6 ppts	[-1.9%; 3.0%]
Administrative / clerical staff	3.9%	2.2%	1.7 ppts	[1.0%; 2.5%]
Skilled trade occupations	8.5%	4.9%	3.6 ppts	[2.7%; 4.5%]
Caring, leisure and other services staff	10.8%	4.7%	6.2 ppts	[3.8%; 8.5%]
Sales and customer services staff	2.0%	3.3%	-1.3 ppts	[-1.9%; -0.7%]
Machine operatives	11.2%	2.7%	8.5 ppts	[5.7%; 11.3%]
Elementary staff	7.3%	3.9%	3.3 ppts	[2.7%; 4.0%]
All occupations	5.5%	3.4%	2.1 ppts	[1.6%; 2.5%]

Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: see chapter 8, tables 66 and 68 for base sizes.

As can be seen, compared to all UK industries, vacancy densities for managerial, professional and associate professional roles are very similar across all UK industries and UK Hospitality and Tourism. Overall, Hospitality and Tourism has a 2.1 percentage points higher vacancy density than all UK industries, and job types that have a particularly higher vacancy densities compared to all UK industries are:

- machine operative (11.2% vs. 2.7%);
- caring, leisure and other services staff (10.8% vs. 4.7%); and
- skilled trade occupations (8.5% vs. 4.9%).

4.2 What are the quantities of skills deficits by segment and location?

Skills deficits – that is, where demand for certain skills is not matched with supply – can be both external or internal:

- **external skills deficits,** refer to where employers may struggle to fill vacancies due to a lack of skills, qualifications or experience from applicants (which the ESS collectively identifies as '*skills shortage vacancies*');

- **internal skills deficits,** refer to where employers may also experience skills gaps in their existing workforce, which arises when employees lack proficiency to fulfil their roles. Such skills gaps, where persistent, may hinder an employer's ability to operate to their full potential in terms of productivity and profitability.

The following analysis sets out whether there are any **external or internal skills deficits** and whether this varies by segment and location. Overall, the research found that compared to all UK industries, the Hospitality and Tourism sector has:

- a **lower external skills deficit**, measured by the *skills shortage vacancy density*[17] (SSV); whereas it has
- a **higher internal skills deficit** measured by *the skills gap density*[18].

This is illustrated in the following table.

Table 28: UK Hospitality and Tourism and UK all industries SSV density and skills gap density, UK, 2017

	UK Hospitality and Tourism	UK all industries
SSV density	17.3%	22.5%
Skills gap density	6.6%	4.4%

Source: Economic Insight analysis ESS 2017.

Unweighted base sizes: UK Hospitality and Tourism establishments 2017 (vacancies=3,647; employment=9,503); UK establishments 2017 (vacancies=25,114; employment=87,430).

In terms of variations of these skills deficits by segment and location, the following should be noted:

- Skills deficits by **segments**:
  - **External skills deficit**: there is some variation in terms of which UK Hospitality and Tourism segments have higher or lower Hospitality and Tourism SSV densities. In particular:
    - segments where it is higher than the Hospitality and Tourism average of 17.3% encompass: '*hotel & related*' (18.6%), '*catering*' (*22.2%*), '*sport & recreation*' (22.3%), and '*travel agency*' (24.5%); whereas
    - segments where it is lower than the Hospitality and Tourism average include: '*restaurant, pub & related*' (16.4%).
  - **Internal skills deficit**: there is some variation in terms of which Hospitality and Tourism segments have higher or lower Hospitality and Tourism skills gap densities. In particular:
    - segments where it is higher than the Hospitality and Tourism average of 6.6% include: '*hotel & related*' (6.8%), and '*catering*' (8.6%); whereas
    - segments where it is lower than the Hospitality and Tourism average include: '*event management*' (2.1%), '*passenger transport*' (*3.3%*), and '*travel agency*' (4.7%).
- Skills deficits by **location**:

[17] *This is the proportion of vacancies that are skills shortage vacancies.*
[18] *This is the proportion of all staff that is not fully proficient at their role.*

- **External skills deficit**: there is some regional variation in terms of where the highest and lowest Hospitality and Tourism SSV density is. For example:
  - regions where it is <u>higher</u> than the Hospitality and Tourism average of 17.3% include: Northern Ireland (18.3%), the South West (20.9%) the West Midlands (21.3%), Scotland (24.3%) and Wales (24.7%); whereas
  - regions where it is <u>lower</u> than the Hospitality and Tourism average include: the East Midlands (10.7%) and Yorkshire and the Humber (12.7%), for example.
- **Internal skills deficit**: there is some regional variation in terms of where the highest and lowest Hospitality and Tourism skills gap density is. In particular:
  - regions where it is <u>higher</u> than the Hospitality and Tourism average of 6.6% include: Wales (7.0%), Northern Ireland (7.7%), the East of England (8.2%) and the South West (9.0%); whereas
  - regions where it is <u>lower</u> than the Hospitality and Tourism average include: the North East (4.4%), the South East (5.2%) and the East Midlands (5.6%), for example.

SKILLS ADVISORY PANELS WILL BE LOCAL PARTNERSHIPS AIMING TO STRENGTHEN THE LINK BETWEEN PUBLIC AND PRIVATE SECTOR EMPLOYERS LOCAL AUTHORITIES, COLLEGES AND UNIVERSITIES.

It should further be noted that within regions there were further variations, for example, a region could have an overall high SSV density (e.g. West Midlands with 21.3%), but Local Enterprise Partnerships (LEPs) within it could be at both ends of the spectrum (e.g. Black Country being one of the top 5 highest SSV density LEPs at 33.3%, compared to Worcestershire being one of the top 5 lowest SSV density at 11.2%). This further reinforces the importance of Skills Advisory Panels[19], to fully capture the regional nuances of the skills landscape.

Below, more details on the above are provided.

4.2.1 What are the quantities of skills deficits by segment?

External skills deficits by segment

As set out above, where employers struggle to fill vacancies, this may be due to a lack of skills, qualifications or experience from applicants. The ESS identifies '*skills shortage vacancies'* as follows:

- First, employers were asked whether their vacancies were proving hard to fill.
- Then, they were asked to provide reasons as to why they were not able to fill the vacancies spontaneously, that is, without being presented a list of reasons.
- Any employers who did not mention skills-related issues were then prompted on whether any of their hard to fill vacancies was proving hard to fill because of a lack of skills, qualifications or experience.

Hence, the **SSV density** can be used as a measure of quantity of external skills deficits. This density is simply the **proportion of vacancies that are SSVs**. Again, as per above, the higher this density, the more acute the **<u>external</u>** <u>skills challenge</u>.

The Hospitality and Tourism sector has an SSV density **<u>below</u>** the UK economy, as illustrated in the following table.

[19] *Department for Education (December 2018), 'Skills Advisory Panels: guidance on the role and governance.'*

THE EXTERNAL SKILLS CHALLENGE FOR THE HOSPITALITY AND TOURISM SECTOR IS LOWER COMPARED TO ALL UK INDUSTRIES.

Table 29: UK SSV density (SSVs / vacancies) over time

	2011	2013	2015	2017
UK Hospitality and Tourism SSV density	14.1%	18.7%	18.5%	17.3%
UK all industries SSV density	15.6%	22.3%	22.6%	22.5%

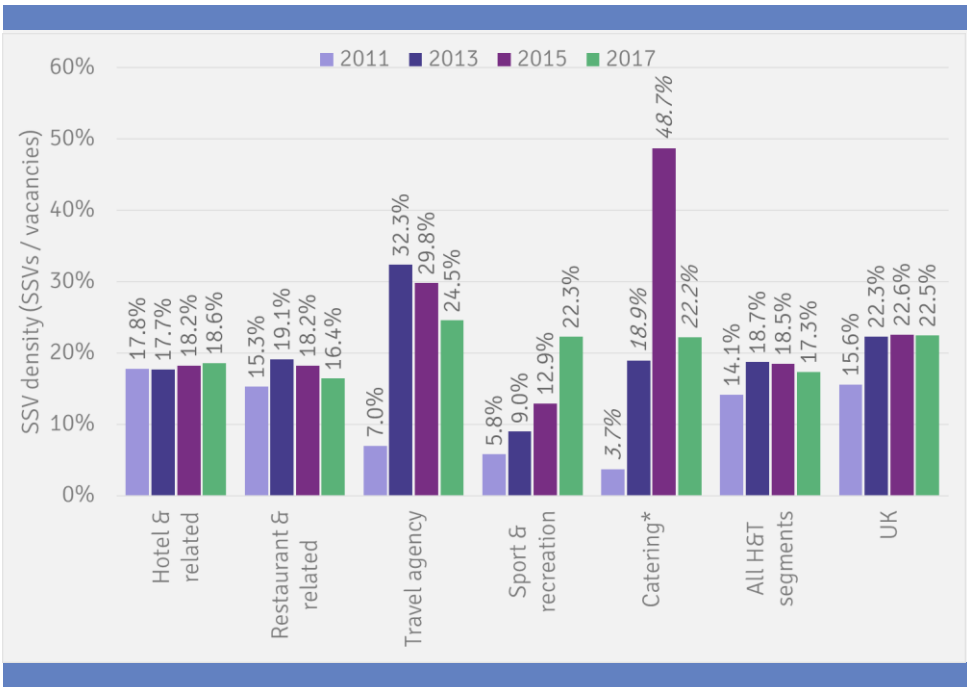
Source: Economic Insight analysis of ESS 2011, 2013, 2015, 2017.

Unweighted base sizes: see chapter 8, tables 69 and 72 for base sizes.

The following figure illustrates the UK SSV density over time for the different segments that make up the Hospitality and Tourism sector, as well as the UK as whole, for comparison.

As can be seen, the UK SSV density in the '*hotel'* and '*restaurants & pubs'* and related segments follows the overall Hospitality and Tourism and UK trend of a decreasing SSV density. For the other segments, the SSV density over time has been more volatile.[20]

Figure 16: UK SSV density over time for different segments, UK



Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 70 for base sizes.

These differences by segment chime with the workforce make-up of those segments, in particular the labour-intensiveness of roles. For example, '*hotel & related*', '*restaurant, pubs & related'* and '*catering'* all had a high proportion of elementary and skilled trades staff, whereas the other segments had a higher proportion of managerial / professional roles.

[20] *Please note that the 'passenger transport' and 'event management' segments have been omitted from the figure below due to too low base numbers, and that the figures for 'catering' should be interpreted with caution.*

Internal skills deficits by segment

As set out above, alongside skill shortages that may be experienced when recruiting, employers may also experience skills gaps **in their existing workforce**.

This **internal** skills challenge arises when employees lack proficiency to fulfil their role. Such skills gaps, where persistent, may hinder an employer's ability to function to their full potential in terms of productivity and profitability. The following analysis sets out whether there are any **skills deficits in the current workforce** and whether this varies by segment and location.

Although most skills gaps are transient, e.g. because people are new to the role, where there is significant employee churn and one has to deal consistently with new employees, the internal skills deficit may plateau.

A measure of the extent of the internal skills deficit is the **skills gap density**. That is, the **proportion of current employees that are not fully proficient**. As previously, the higher the density, the more acute the **internal** skills challenge.

The Hospitality and Tourism sector has a higher density of skills gaps compared to the UK economy, as illustrated in the following table.

THE HOSPITALITY AND TOURISM SECTOR HAS A HIGHER INTERNAL SKILLS CHALLENGE COMPARED TO ALL UK INDUSTRIES.

Table 30: Proportion of workforce that is not proficient over time, UK

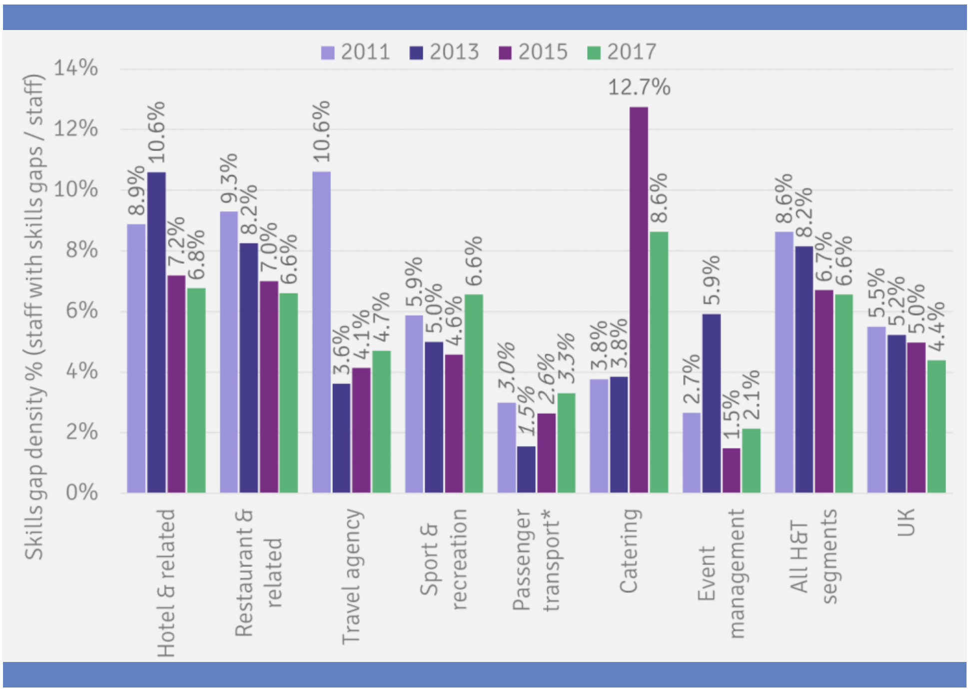
	2011	2013	2015	2017
UK Hospitality and Tourism skills gap density	8.6%	8.2%	6.7%	6.6%
UK all industries skills gap density	5.5%	5.2%	5.0%	4.4%

Source: Economic Insight analysis of ESS 2011, 2013, 2015, 2017.

Unweighted base sizes: see chapter 8, tables 74 and 77 for base sizes.

As can be seen, the skills gap density in the '*hotel*' and '*restaurant & pub*' and related sectors follows the overall Hospitality and Tourism and UK trend of decreasing skills gap density. For the other segments, the skills gap density over time increased from 2015 to 2017.

Figure 17: UK skills gap density over time for different segments, UK



Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

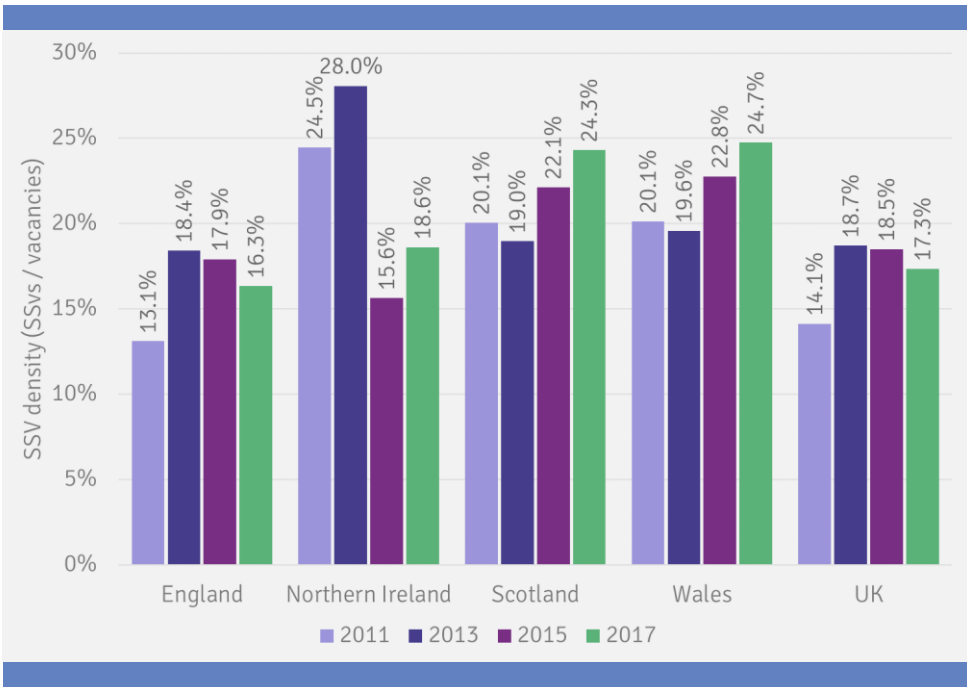
Unweighted base sizes: see chapter 8, table 75 for base sizes.

4.2.2 What are the quantities of skills deficits by location?

External skills deficits by location

There is some regional and temporal variation in the Hospitality and Tourism SSV density. For example, the UK's overall decrease in SSV density from 18.5% in 2015 to 17.3% in 2017 has mostly been driven by a decrease in SSVs as a proportion of vacancies in England. In all remaining nations (Northern Ireland, Scotland and Wales) the SSV density increased between 2015 and 2017, as illustrated in the following figure.

Figure 18: Hospitality and Tourism SSV density over time, UK nations

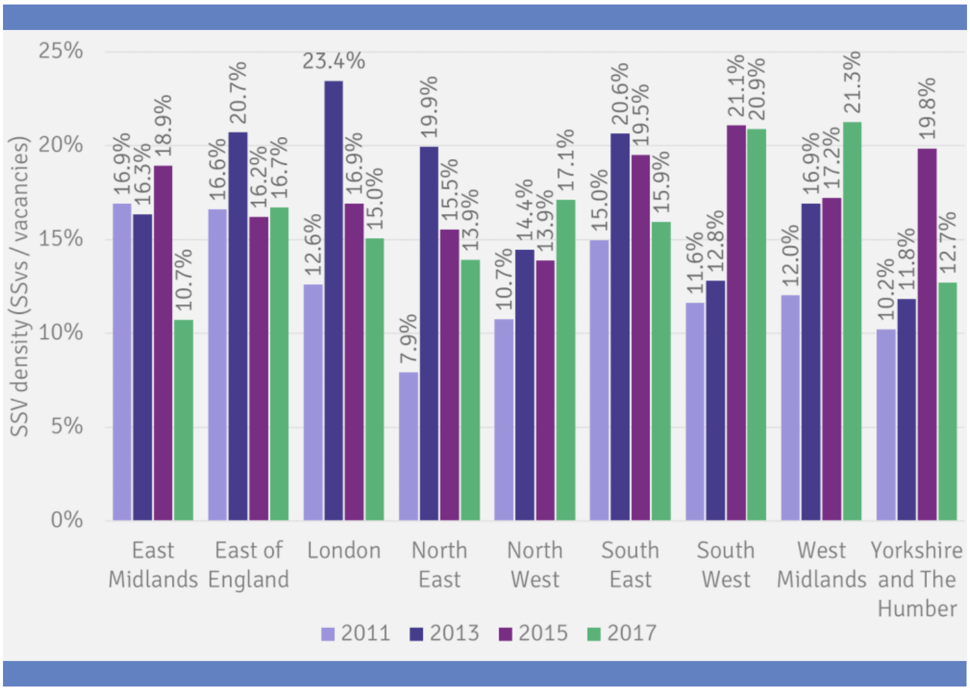


Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 67 for base sizes.

When looking at the English regions, there is some variation in terms of which regions have higher / lower SSV densities, as well as how they have evolved over time. This is illustrated in the following figure.

Figure 19: Hospitality and Tourism SSV density over time, England



Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 67 for base sizes.

The SSV density increased in the North West from 13.9% in 2015 to 17.1% in 2017, as well as increasing in the West Midlands from 17.2% in 2015 to 21.3% in 2017.

The SSV density decreased significantly in the East Midlands from 18.9% in 2015 to 10.7% in 2017, and in Yorkshire and the Humber from 19.8% in 2015 to 12.7% in 2017.

These changes are in line with the overall UK economy for most regions. However, the decrease in SSV density in the East Midlands was less pronounced for UK industries as a whole, as illustrated in the following figure.

Figure 20: UK all industries SSV density over time, England

Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

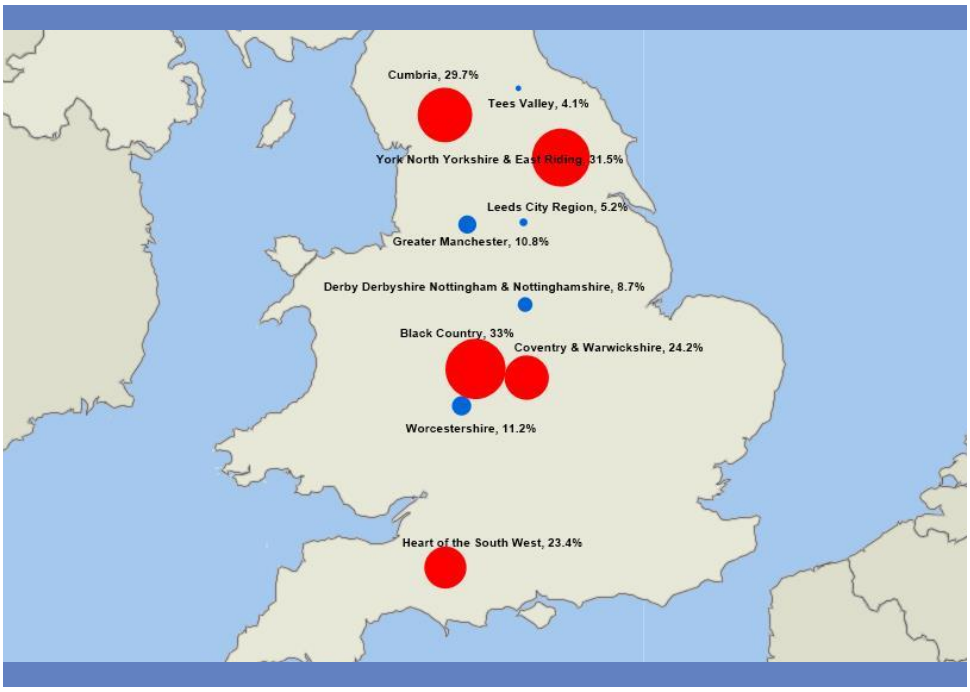
Unweighted base sizes: see chapter 8, table 70 for base sizes.

The ESS data allows to further analyse SSV densities at a more granular local level. For example, although Yorkshire and the Humber had a lower than average Hospitality and Tourism SSV density, there was some local variation in the LEPs in the area, as illustrated in the following figure.

THE MAP ON THE RIGHT SHOWS THE 5 LEPs WITH THE HIGHEST HOSPITALITY AND TOURISM SSV DENSITIES (RED DOTS), AS WELL AS THE 5 LEPs WITH THE LOWEST HOSPITALITY AND TOURISM SSV DENSITIES (BLUE DOTS).

WITHIN THE SAME REGION (E.G. WEST MIDLANDS) THERE CAN BE BOTH VERY HIGH (E.G. BLACK COUNTRY) AND VERY HOSPITALITY AND TOURISM SSV DENSITY LEPs (E.G. WORCESTERSHIRE).

Figure 21: LEPs in England with the highest and lowest densities of Hospitality and Tourism SSVs, 2017[21]



Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: see chapter 8, table 75 for base sizes.

As can be seen, the following LEPs have high Hospitality and Tourism SSV densities:

- Black Country (33.0%); York, North Yorkshire & East Riding (31.5%) and Cumbria (29.7%).

LEPs with relatively low Hospitality and Tourism SSV densities include:

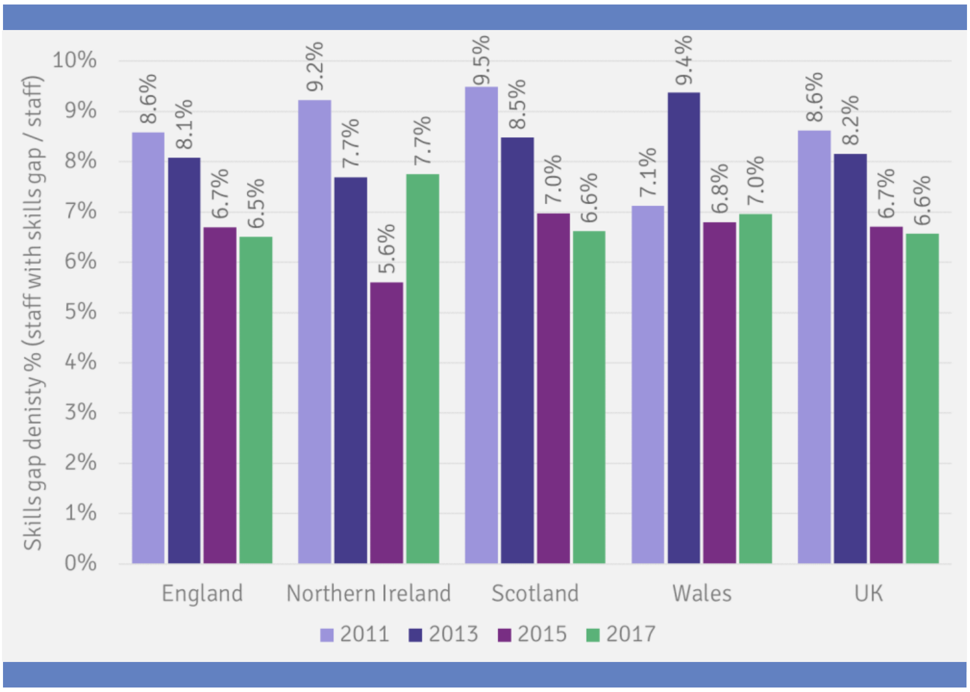
- Tees Valley (4.1%); Leeds City Region (5.2%); and Derby, Derbyshire, Nottingham & Nottinghamshire (8.7%).

Internal skills deficits by location

There is some regional and temporal variation in the Hospitality and Tourism skills gaps density. For example, across all UK nations the Hospitality and Tourism skills gap density has decreased from 2015 compared to 2017, bar for Northern Ireland, where it increased from 5.6% in 2015 to 7.7% in 2017. These trends are consistent with those for all industries, where generally skills gap density has been decreasing over time.

21 Note that LEPs with a base size of fewer than 100 establishments have been excluded from Figure 25.

Figure 22: Hospitality and Tourism skills gap density over time, UK nations

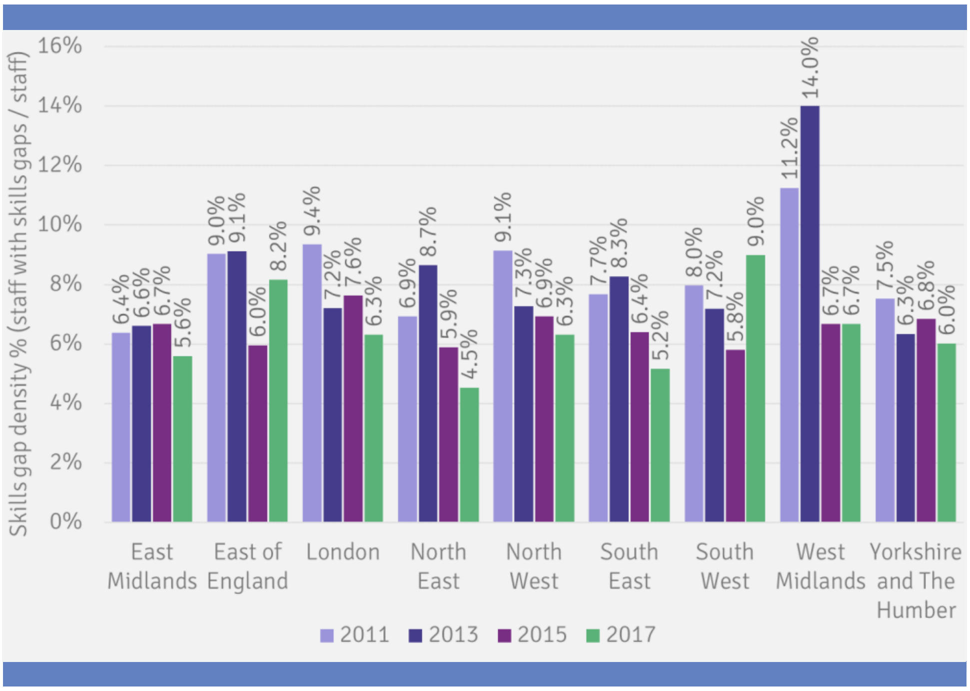


Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 72 for base sizes.

When looking at the England regions, there is some variation in terms of which regions have higher / lower skills gap densities, as well as how they have evolved over time. This is illustrated in the following figure.

Figure 23: Hospitality and Tourism skills gap density over time, England



Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 72 for base sizes.

The West Midlands achieved the largest decrease in Hospitality and Tourism skills gap density from 14.0% in 2013 to 6.7% in 2015. On the other hand, the East of England's

Hospitality and Tourism skills gap density increased from 6.0% in 2015 to 8.2% in 2017, as did the South West's Hospitality and Tourism skills gap density from 5.8% in 2015 to 9.0% in 2017. These changes are in line with the overall UK economy for the East of England and the South West, however they go in the opposite direction for the West Midlands. For example, for the whole UK economy, the skills gap density in the West Midlands increased from 4.9% in 2013 to 5.4% in 2015, as illustrated in the following figure.

Figure 24: UK all industries skills gap density over time, England

Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

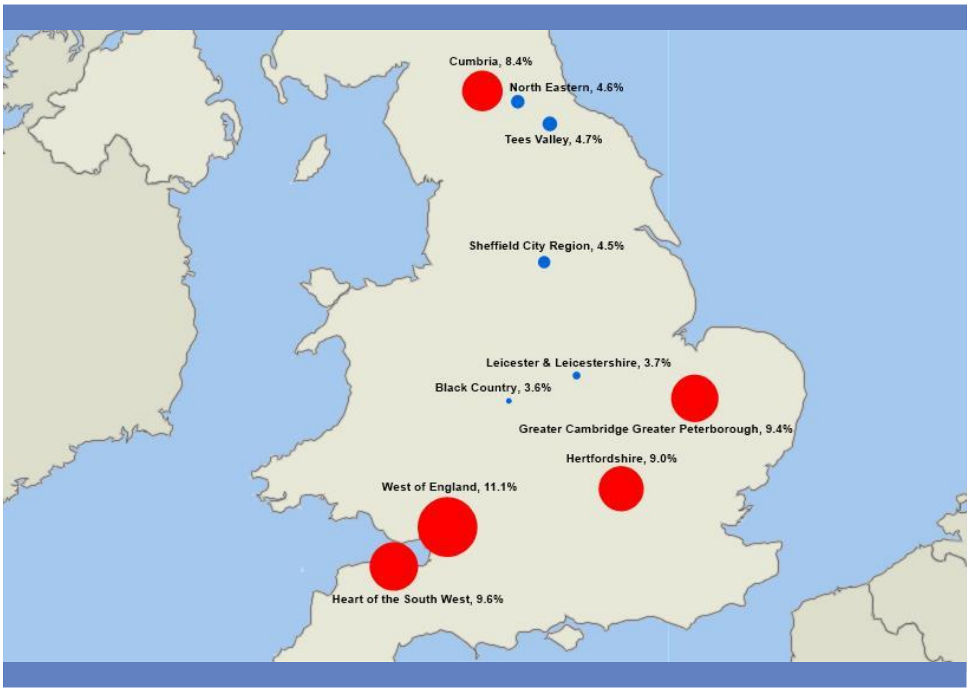
Unweighted base sizes: see chapter 8, table 76 for base sizes.

The UK Government announced, in its White Paper *'Industrial Strategy: Building a Britain fit for the future'*[22], the introduction of local Skills Advisory Panels to analyse supply and demand for skills at a local level and work with local industry to ensure that skills provision is optimally linked with where it is needed. ESS 2017 allows analysis of skills issues at a local level and the following figure shows the LEPs in England with the highest and lowest proportion of the workforce who lack full proficiency in their role.

[22] *HM Government (2017), 'Industrial Strategy: Building a Britain fit for the future.'*

THE MAP ON THE RIGHT SHOWS THE 5 LEPs WITH THE HIGHEST HOSPITALITY AND TOURISM SKILLS GAPS DENSITIES (RED DOTS), AS WELL AS THE 5 LEPs WITH THE LOWEST HOSPITALITY AND TOURISM SKILLS GAPS DENSITIES (BLUE DOTS).

Figure 25: LEPs in England with the highest and lowest densities of Hospitality and Tourism skills gaps, 2017[23]



Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: chapter 8, table 75 for base sizes.

As can be seen, the following LEPs have relatively high skills gap densities in the Hospitality and Tourism sector:

- West of England (11%); Heart of South West (10%) and Greater Cambridgeshire and Hertfordshire (9% respectively). These also generally have higher than average skills gaps densities for all industries.

LEPs with relatively low skills gap densities include:

- Black Country and Leicester and Leicestershire (4%) – again, these are similar to the overall UK LEPs with lower skills densities than average.

4.2.3 What are the quantities of skills deficits by job type?

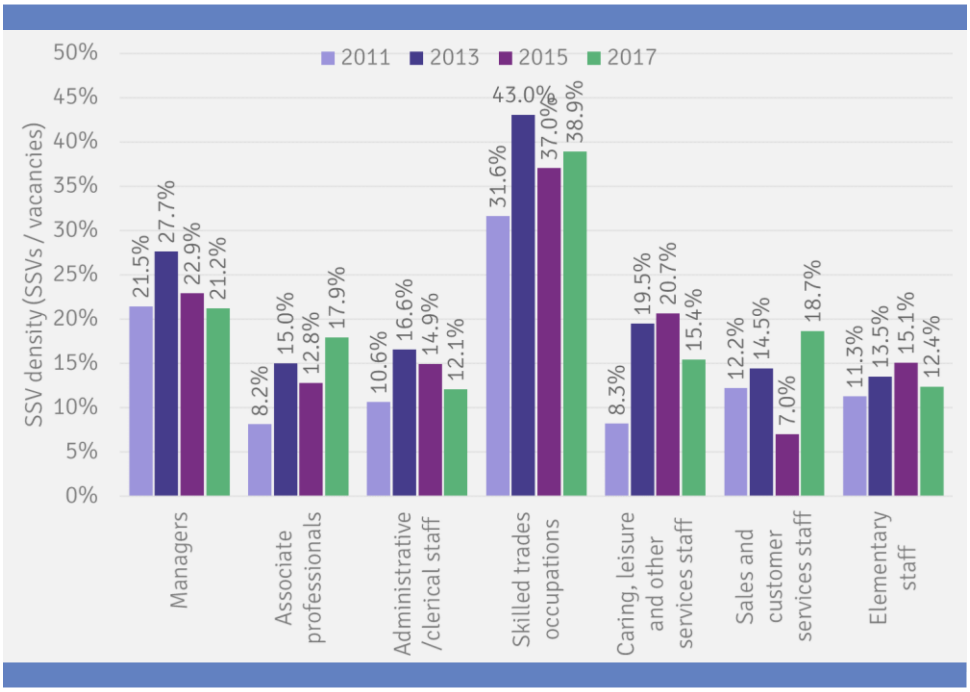
External skills deficits by job type

In the following, job types that are most relevant to the Hospitality and Tourism sector are prioritised (that is, professional and machine operative roles have been omitted from the analysis, as these only make up a very small proportion of the overall Hospitality and Tourism workforce).

As can be seen from the following figure, for the different Hospitality and Tourism job types, the skills density gap has decreased for managerial; administrative / clerical; and elementary roles between 2011 and 2017. It has plateaued for skilled trades occupations between 2015 and 2017 at 5.8% and for associate professionals at 6.3%. It has increased for caring, leisure and other service staff from 5.0% in 2015 to 6.0% in 2017 and for sales and customer services staff from 7.9% in 2015 to 8.3% in 2017.

23 *Note that LEPs with a base size of fewer than 100 establishments have been excluded from Figure 25.*

Figure 26: UK Hospitality and Tourism SSVs density over time for different job types, UK

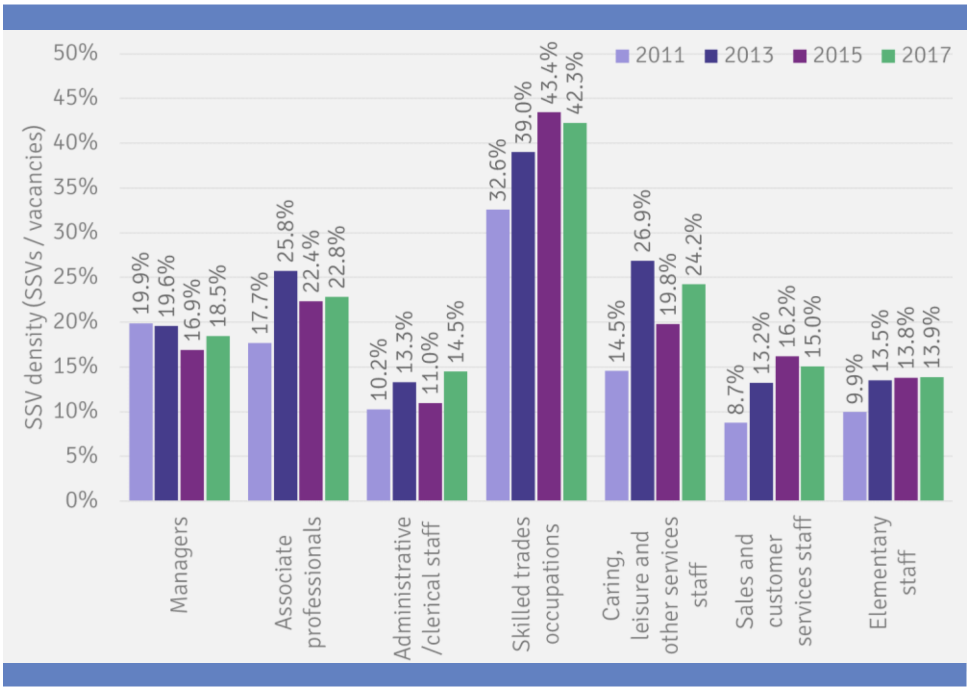


Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 74 for base sizes.

These movements appear to mostly be in line with the SSV density for all UK industries, as illustrated in the following figure.

Figure 27: UK all industries SSVs density over time for different job types, UK



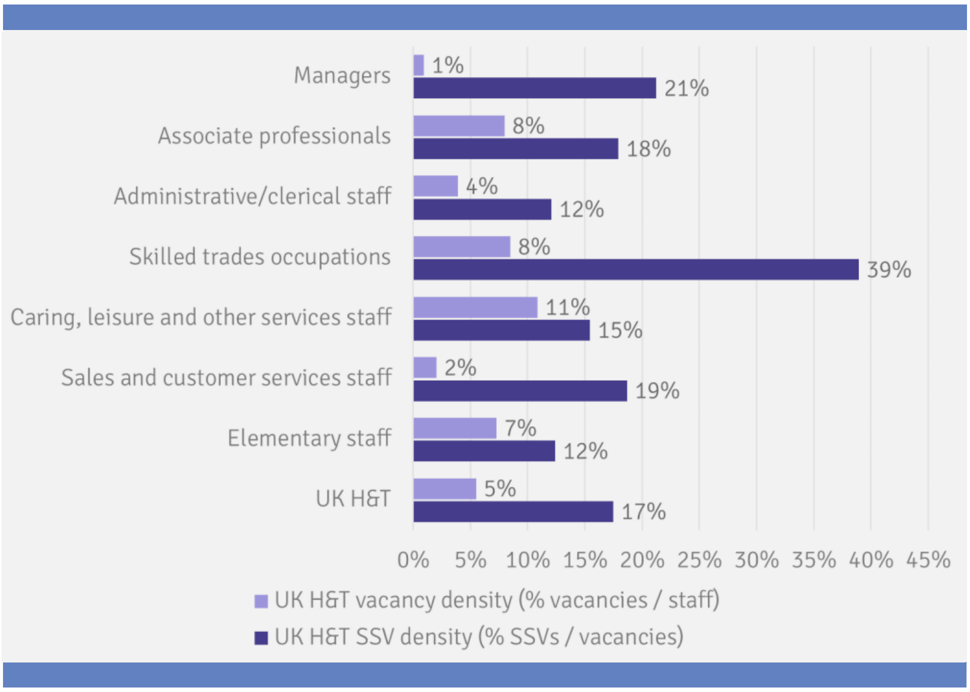
Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 74 for base sizes.

As Figure 27 illustrates, Hospitality and Tourism experienced the largest skills-related difficulties when recruiting for skilled trades occupations and managerial positions – with SSV densities of 38.9% and 21.1% respectively.

The following figure illustrates both the vacancy and the SSV density by the different job types for Hospitality and Tourism workforce.

Figure 28: UK Hospitality and Tourism vacancy and SSVs density for different job types - 2017, UK



Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: see chapter 8, tables 66 and 71 for base sizes.

As can be seen, job types with higher than the average Hospitality and Tourism **labour shortages** are:

- *caring leisure, and other services staff* (11% vacancy density);
- *skilled trades occupations* (8% vacancy density); and
- *elementary staff* (7% vacancy density).

Occupations which further to labour shortages also have **skills shortages** include:

- *skilled trades occupations*, where 39% of vacancies are SSVs;
- *managers*, where 21% of vacancies are SSVs;
- *sales and customer services staff*, where 19% of vacancies are SSVs; and
- *associate professionals*, where 18% of vacancies are SSVs.

A report by People1st[24] (2016) recognises that falling unemployment is making it increasingly harder to fill these vacancies and that skills shortages exist across the sector, in particular **chefs**. People1st[25] (2017) considers that the hardest to fill positions are **front-of-house** (45%) and **chefs** (36%).

A further report by People1st[26] (2017) hones-in on the **chef shortage** issue and finds that some businesses reportedly scaled down growth plans due to a shortage of chefs. It further finds that for chefs in particular it is a skills shortage – rather than a labour shortage. The main causes People1st identify for this shortage are as follows:

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24 *People1st (2016), 'Skills and workforce profile: Hospitality and tourism'.*
25 *People1st (2017), 'Migrant workers in the Hospitality and Tourism sector and the potential impact of labour restrictions'.*
26 *People1st (2017), 'The chef shortage: A solvable crisis? Understanding why we have a chef shortage and how it can be addressed'.*

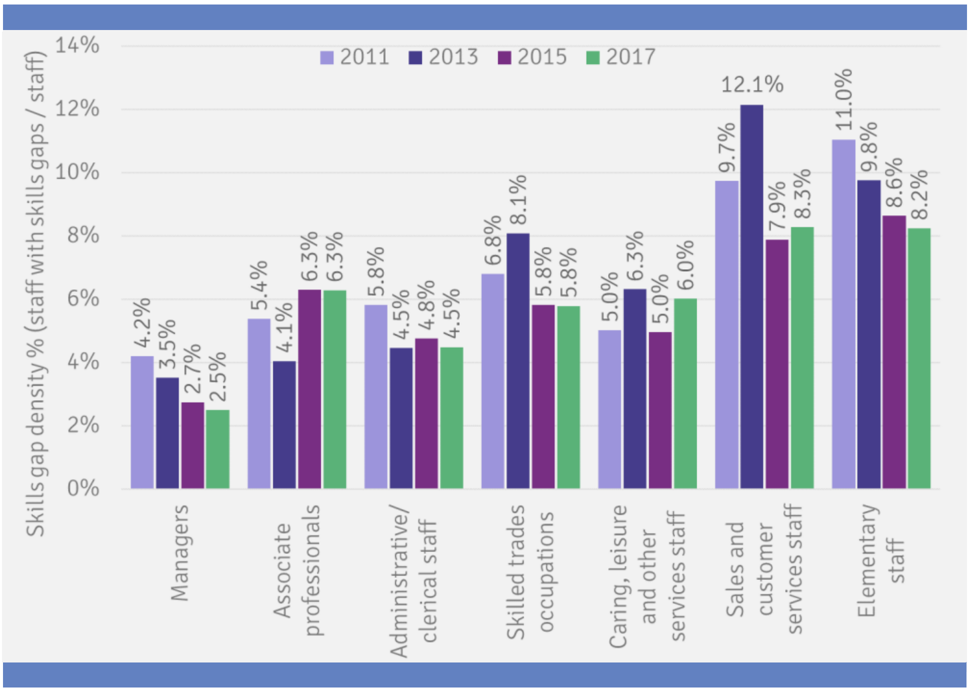
- **Increased demand**: more restaurants and pubs are demanding chefs.
- **Changing nature of job**: now there are two types of chef: (i) classical; and (ii) production (who work with pre-prepared dishes). These two types have distinct career pathways.
- **Shrinking labour pool**: unemployment is at a low level and there is a shrinking pool of young labour market where hospitality has traditionally found its labour.
- **Too few chef apprentices**: the study estimates that the in order to address the skills shortage the number of chef apprentices would need to be double.
- **Too few chef students entering and staying in the sector**: many are put off by the course itself or work experience.
- **Chefs are leaving the profession** due to low pay, poor management, and long hours.

Internal skills deficits by job type

In the following, again, the focus is on the job types that are most relevant to the Hospitality and Tourism sector (that is, professional and machine operative roles have been omitted from the analysis, as these only make up a small proportion of the Hospitality and Tourism workforce).

As can be seen from the following figure, for the different Hospitality and Tourism job types, the skills gap density has decreased for managerial; administrative / clerical; and elementary roles between 2011 and 2017. It has plateaued for skilled trades occupations between 2015 and 2017 at 5.8% and for associate professionals at 6.3%. It has increased for caring, leisure and other service staff from 5.0% in 2015 to 6.0% in 2017 and for sales and customer services staff from 7.9% in 2015 to 8.3% in 2017.

Figure 29: UK Hospitality and Tourism skills gap density over time for different job types, UK

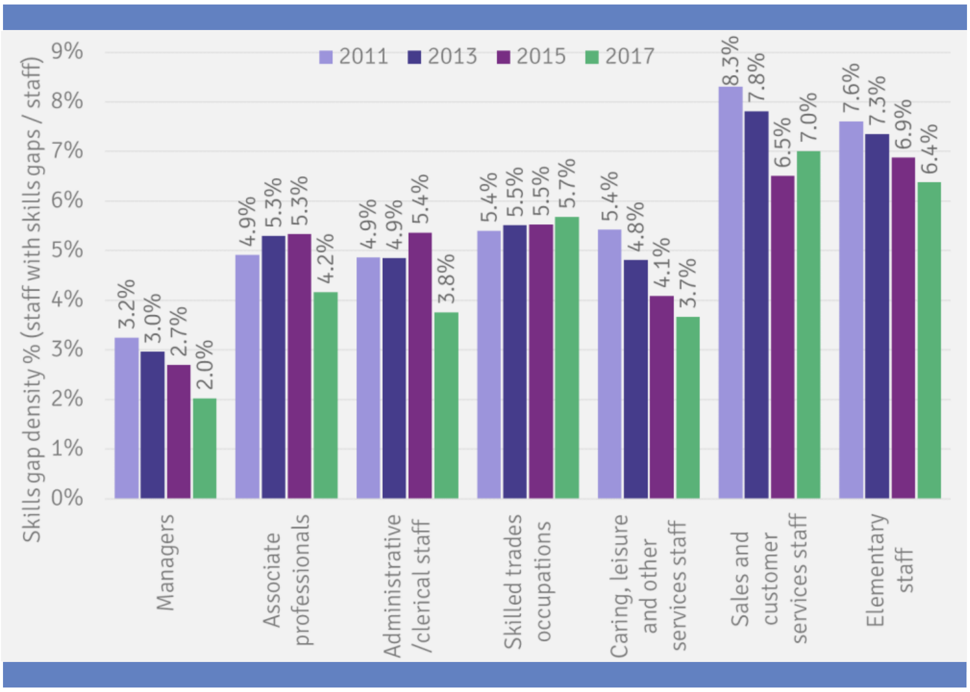


Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 74 for base sizes.

These movements appear to mostly be in line with the skills gap density for all UK industries, as illustrated in the following figure.

Figure 30: UK all industries skills gap density over time for different job types, UK



Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 74 for base sizes.

Compared to the UK as whole, the skills gap densities for the jobs in the Hospitality and Tourism sectors remain above the UK average. This again could be indicative that there are some issues with recruiting and retaining staff with the right skills.

The following table shows the UK skills gap density for each occupation, by the different segments that make up the Hospitality and Tourism sector. For example, it can be seen that across the UK, there is a 2.3% skills gap density for managers in the '*hotel & related*' segment. This compares favourably to the overall skills gap density for all occupations in the '*hotel & related*' segment, which stands at 6.8% for the UK.

Table 31: Skills gap density (staff not proficient / staff) by segment, UK, 2017

	Managers	Associate professionals	Administrative / clerical staff	Skilled trades occupations	Caring, leisure and other services staff	Sales and customer services staff	Elementary staff	All occupations
Hotel & related	2.3%	5.0%	4.5%	5.2%	6.5%	6.5%	9.9%	6.8%
Restaurant & related	2.8%	1.6%	3.7%	6.0%	6.0%	7.8%	7.9%	6.6%
Travel agency	1.5%	*12.0%*	4.7%	**	3.4%	5.6%	**	4.7%
Sport & recreation	1.6%	2.4%	2.2%	2.1%	7.0%	15.6%	5.6%	6.6%
Passenger transport	0.6%	**	**	**	**	**	**	3.3%
Catering	0.6%	**	18.2%	16.5%	**	*5.6%*	10.0%	8.6%
Event management	0.2%	**	*2.6%*	**	**	**	**	**
UK Hospitality and Tourism	2.5%	6.3%	4.5%	5.8%	6.0%	8.3%	8.2%	6.6%

Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: see chapter 8, table 53 for base sizes.

As can be seen, across all segments there is a relatively low vacancy density for managerial positions, whereas it is higher for more labour-intensive roles. This chimes with findings from the in-depth interviews that recruitment for managerial roles is not so much of an issue, compared to recruitment for more *'hands-on'*, labour intensive roles.

The following table illustrates the Hospitality and Tourism skills gap density by region. As can be seen, skills gap densities are highest for sales and customer services staff, as well as those in elementary roles. This further highlights the potentially difficult to train skills that are required for those roles, which are very customer facing, and need to ensure the customer receives the right '*experience*'.

Table 32: UK Hospitality and Tourism skills gap density (staff not proficient / staff), by region, 2017

	Managers	Associate professionals	Administrative / clerical staff	Skilled trades occupations	Caring, leisure and other services staff	Sales and customer services staff	Elementary staff	All occupations
East Midlands	1.8%	**	4.3%	5.8%	5.5%	8.6%	6.4%	5.6%
East of England	3.0%	*12.2%*	5.0%	8.0%	7.8%	8.8%	10.7%	8.2%
London	2.0%	10.0%	2.9%	4.2%	2.6%	11.0%	7.4%	6.3%
North East	3.1%	**	5.2%	4.1%	2.5%	3.2%	5.7%	4.5%
North West	3.1%	*8.8%*	3.0%	5.8%	8.2%	6.9%	7.4%	6.3%
South East	2.1%	0.4%	1.7%	5.5%	3.9%	7.2%	6.6%	5.2%
South West	3.7%	*3.4%*	6.2%	7.3%	9.5%	9.6%	11.9%	9.0%
West Midlands	2.1%	*3.1%*	11.2%	9.6%	4.4%	7.9%	7.4%	6.7%
Yorkshire and The Humber	1.8%	*4.4%*	5.1%	5.6%	9.9%	6.4%	7.6%	6.0%
England	2.5%	6.8%	4.3%	5.9%	6.1%	8.5%	8.0%	6.5%
Northern Ireland	2.1%	**	2.4%	6.3%	**	9.3%	10.6%	7.7%
Scotland	2.6%	4.0%	7.0%	5.1%	5.8%	5.8%	9.3%	6.6%
Wales	2.8%	**	3.2%	4.4%	*5.4%*	8.3%	9.6%	7.0%
UK	2.5%	6.3%	4.5%	5.8%	6.0%	8.3%	8.2%	6.6%

Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: see chapter 8, table 53 for base sizes.

THE TABLE ON THE RIGHT ILLUSTRATES THE DIFFERENCES BETWEEN UK HOSPITALITY AND TOURISM SSV DENSITIES BY OCCUPATION AND ALL UK INDUSTRIES.

FOR EXAMPLE, UK HOSPITALITY AND TOURISM HAS A 2.8 PERCENTAGE POINTS HIGHER SSV DENSITY FOR MANAGERS COMPARED TO ALL UK INDUSTRIES.

4.2.4 What are the differences between skills deficits in UK Hospitality and Tourism and UK all industries?

External skills deficits differences

The following table illustrates both the UK Hospitality and Tourism SSV density by job type, as well as the UK all industries SSV density.

Table 33: SSV density % (SSV / vacancies) comparison between UK Hospitality and Tourism and UK all industries, by job type, UK, 2017

	UK Hospitality and Tourism (%)	UK all industries (%)	Difference between UK Hospitality and Tourism and UK all industries (ppts)	95% confidence interval
Managers	21.2%	18.5%	2.8 ppts	[-2.5%; 8.1%]
Professionals	*43.5%*	30.1%	*13.5 ppts*	[-2.2%; 29.1%]
Associate professionals	17.9%	22.8%	-4.9 ppts	[-11.0%; 1.2%]
Administrative/ clerical staff	12.1%	14.5%	-2.4 ppts	[-6.4%; 1.6%]
Skilled trades occupations	38.9%	42.3%	-3.4 ppts	[-6.6%; -0.1%]
Caring, leisure and other services staff	15.4%	24.2%	-8.8 ppts	[-13.4%; -4.2%]
Sales and customer services staff	18.7%	15.0%	3.6 ppts	[-1.7%; 9.0%]
Machine operatives	12.7%	30.8%	-18.1 ppts	[-23.8%; -12.4%]
Elementary staff	12.4%	13.9%	-1.5 ppts	[-3.1%; 0.1%]
All occupations	17.5%	23.0%	-5.5 ppts	[-6.5%; -3.8%]

Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: see chapter 8, table 71 for base sizes.

As can be seen, the Hospitality and Tourism has a 5.5 percentage points lower SSV density than all UK industries, and job types that have a particularly lower SSV densities than all UK industries are:

- machine operative (12.7% vs. 30.8%); and
- caring, leisure and other services staff (15.4% vs. 24.2%).

Internal skills deficits differences

The following table illustrates both the Hospitality and Tourism skills gap density by job type, as well as the UK all industries skills gap density.

Table 34: Skills gap density % (staff not proficient / staff) comparison between UK Hospitality and Tourism and UK all industries, by job type, UK, 2017

	UK Hospitality and Tourism (%)	UK all industries (%)	Difference between UK Hospitality and Tourism and UK all industries (ppts)	95% confidence interval
Managers	*2.5%*	2.0%	0.5 ppts	[0.1%; 0.8%]
Professionals	1.5%	2.7%	-1.3 ppts	[-2.5%; 0.0%]
Associate professionals	6.3%	4.2%	2.1 ppts	[-0.1%; 4.3%]
Administrative/ clerical staff	4.5%	3.8%	0.7 ppts	[-0.1%; 1.5%]
Skilled trades occupations	5.8%	5.7%	0.1 ppts	[-0.7%; 0.9%]
Caring, leisure and other services staff	6.0%	3.7%	2.4 ppts	[0.6%; 4.1%]
Sales and customer services staff	8.3%	7.0%	1.3 ppts	[0.2%; 2.4%]
Machine operatives	5.9%	5.2%	0.7 ppts	[-1.4%; 2.8%]
Elementary staff	8.2%	6.4%	1.9 ppts	[1.2%; 2.6%]
All occupations	6.6%	4.4%	2.2 ppts	[1.7%; 2.7%]

Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: see chapter 8, table 74 for base sizes.

As can be seen, the Hospitality and Tourism has a 2.2 percentage points higher skills gap density than all UK industries, and job types that have a particularly high skills gap densities than all UK industries are:

- caring, leisure and other services staff (6.0% vs. 3.7%);
- associate professionals (6.3% vs. 4.2%); and
- elementary staff (8.2% vs. 6.4%).

4.3 What are the skills required by segment and location?

The previous section set out that **17.3% of UK Hospitality and Tourism vacancies are hard to fill due to skills lacking amongst applicants.** It also found that **6.6% of the current UK Hospitality and Tourism workforce is not fully proficient at their job.**

The following sections set out what skills and attributes employers have found lacking in education leavers (school, Further Education (FE) and Higher Education (HE)), as well as what skills employers have found difficult to find to fill skills shortage vacancies and those that employers believe need improving amongst their current workforce.

The main skills and attributes found lacking in recruited education leavers were:

- **Poor attitude / personality or lack of motivation.**
- **Lack of working world / life experience or maturity.**
- **Lack of required skills or competencies.**

The main skills employers found hard to find to fill skills shortage vacancies were:

- **Operational skills.** The most common 'technical and practical' skills that Hospitality and Tourism employers found hard to find were operational skills, such as for example the '*specialist skills or knowledge needed to perform the role'* (61%), or the '*knowledge of products and services offered by the organisation'* (48%) and '*knowledge of how the organisation works'* (43%).
- **Management and leadership skills.** Compared to all UK industries, Hospitality and Tourism employers cited management and leadership skills (e.g. '*managing or motivating other staff*' (50% vs. 35%); '*persuading or influencing others'* (40% vs. 32%); and '*setting objectives for others / planning resources'* (35% vs. 25%)) as more difficult to find 'people and personal' skills.

The main skills employers considered needed improving were in line with those that they found hard to find to fill skills shortage vacancies.

Below more details for education leavers is provided first, followed by those to fill skills shortage vacancies.

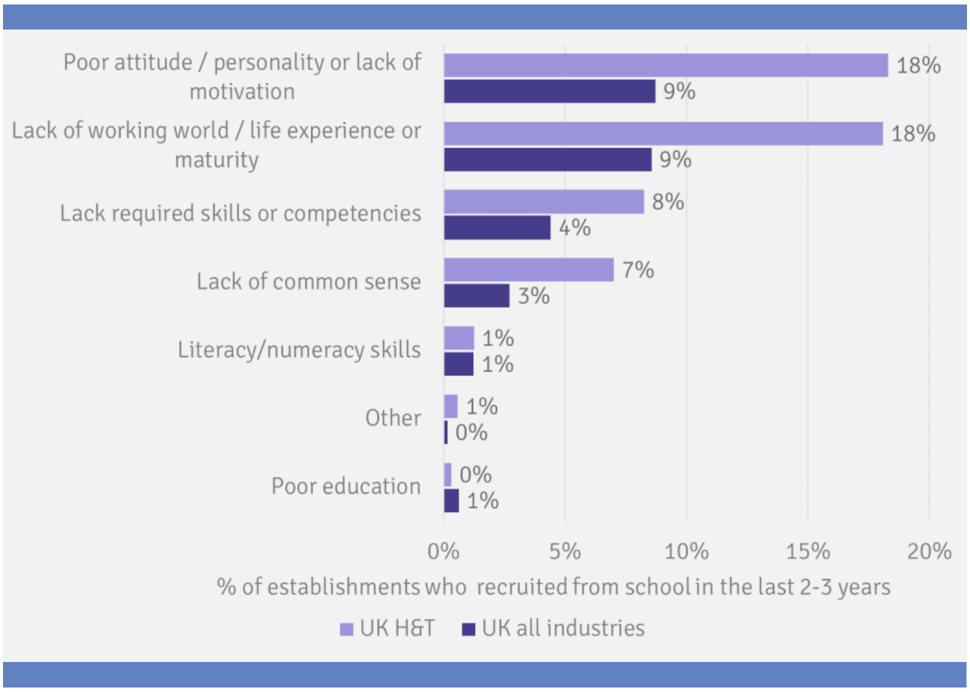
'POOR ATTITUDE / PERSONALITY OR LACK OF MOTIVATION' AND 'LACK OF WORKING WORLD / LIFE EXPERIENCE OR MATURITY' WERE THE MOST COMMONLY CITED ATTRIBUTES FOUND LACKING FROM EDUCATION LEAVERS.

4.3.1 What skills and attributes are lacking amongst **education leavers**?

The EPS provides insight into the skills and attributes that are lacking amongst school, FE, and HE leavers. Across these three types of education leavers, the key attributes that featured prominently across industries, but in particular for Hospitality and Tourism employees, were a *poor attitude / personality or lack of motivation* and a *lack of working world / life experience or maturity*.

The following figure illustrates the skills and attributes found lacking by employers who recruited from school in the last 2-3 years both for all UK industries, as well as the UK Hospitality and Tourism in particular. As can be seen, *poor attitude / personality or lack of motivation* and a *lack of working world / life experience or maturity* topped the attributes found lacking by UK Hospitality and Tourism employers (both at 18%), compared to ca. 9% of UK employers across all industries who found these attributes to be missing amongst school leavers. The *lack of required skills or competencies* was mentioned by 8% of UK Hospitality and Tourism employers who recruited from school leavers, compared to 4% of UK employers across all industries who recruited from the same pool of applicants.

Figure 31: Skills and attributes lacking amongst school leavers - 2016, UK

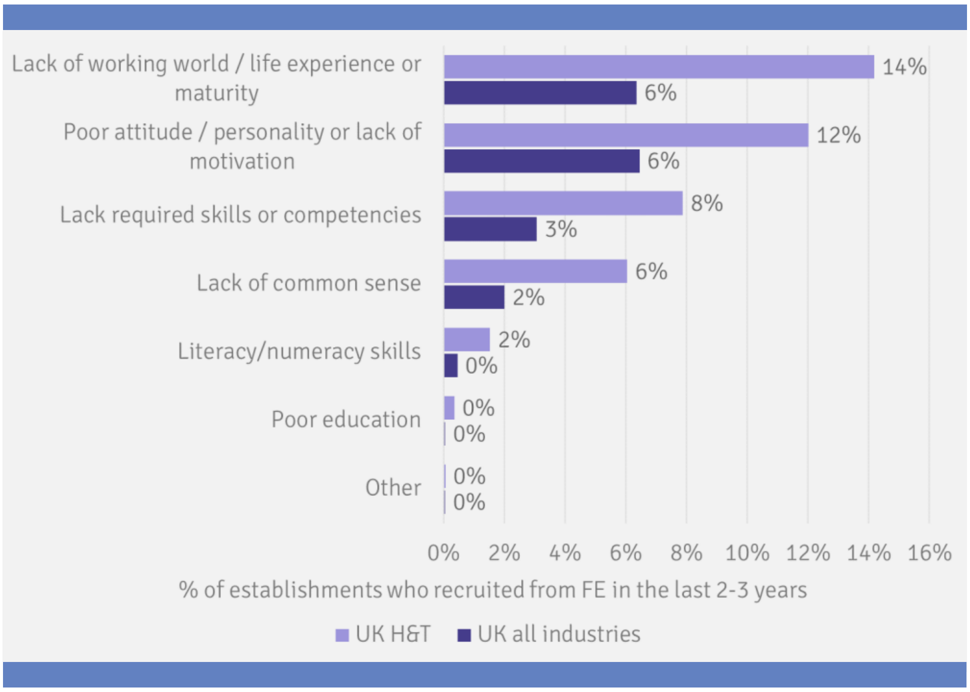


Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments who recruited from school in the last 2-3 years (2016=987); UK establishments who recruited from school in the last 2-3 years (2016=5,509).

The next figure illustrates the skills and attributes found lacking by employers who recruited from FE in the last 2-3 years both for all UK industries, as well as the UK Hospitality and Tourism sector in particular. As can be seen, the ranking of the attributes found lacking changed compared to school leavers, with *lack of working world / life experience or maturity* being the main attribute found lacking by UK Hospitality and Tourism employers (at 14%), followed by *poor attitude / personality or lack of motivation* (at 12%). This compares to ca. 6% of UK employers across all industries who found these attributes to be missing amongst FE leavers. The *lack of required skills or competencies* was mentioned by 8% of UK Hospitality and Tourism employers who recruited from FE leavers, compared to 3% of UK employers across all industries who recruited from the same pool of applicants.

Figure 32: Skills and attributes lacking amongst FE leavers - 2016, UK

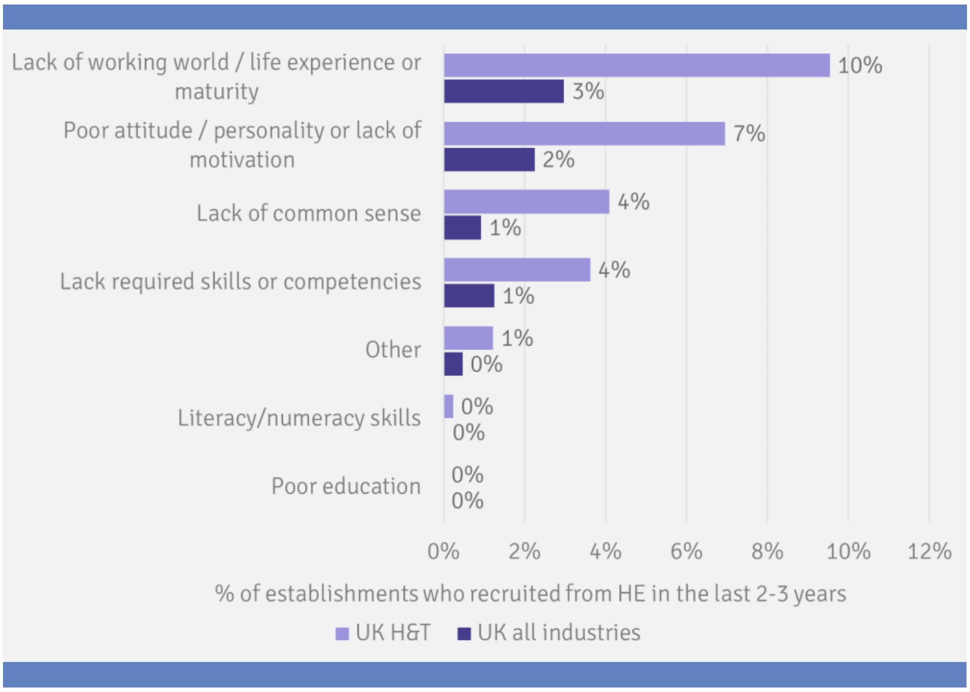


Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments who recruited from FE in the last 2-3 years (2016=539); UK establishments who recruited from FE in the last 2-3 years (2016=3,265).

Finally, the subsequent figure shows the skills and attributes found lacking by employers who recruited from HE in the last 2-3 years both for all UK industries, as well as the UK Hospitality and Tourism sector. In line with the main attributes lacking amongst FE leavers, UK Hospitality and Tourism employers also find that HE leavers *lack of working world / life experience or maturity* and *poor attitude / personality or lack of motivation* most (at 10% and 7% respectively). This compares to ca. 3% - 2% of UK employers across all industries who found these attributes to be missing amongst HE leavers. *Lack of common sense* was mentioned by 4% of UK Hospitality and Tourism employers who recruited from HE leavers, compared to 1% of UK employers.

Figure 33: Skills and attributes lacking amongst HE leavers - 2016, UK



Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments who recruited from HE in the last 2-3 years(2016=524); UK establishments who recruited from HE in the last 2-3 years (2016=3,974).

4.3.2 What skills are lacking amongst **applicants**?

The ESS provides insight into skills that employers have found to be lacking amongst applicants. These skills fall into two groups:

- **Technical and practical skills.** These are the specific skills required to perform the specific functions of a job role and include for example computer and literacy skills.
- **People and personal skills.** These include the 'softer' and less tangible skills required to manage oneself and interact with others in the workplace.

Which technical and practical skills are hard to find?

The most common technical skills that are lacking amongst applicants to UK Hospitality and Tourism establishments are **operational skills**, such as for example the *specialist skills or knowledge needed to perform the role*, or the *knowledge of products and services offered by the organisation* and *knowledge of how the organisation works*. This is illustrated in the following table.

Table 35: Technical skills lacking amongst applicants to establishments with SSVs (% of establishments with SSVs that find skill hard to find) - 2017, UK

	UK Hospitality and Tourism	UK retail	UK all industries
Unweighted base: establishments with SSVs	*910*	*421*	*7,229*
Specialist skills or knowledge needed to perform the role	61%	58%	66%
Knowledge of products and services offered by your organisation and organisations like yours	48%	52%	41%
Knowledge of how your organisation works	43%	37%	34%
Solving complex problems requiring a solution specific to the situation	37%	38%	42%
Reading and understanding instructions, guidelines, manuals or reports	36%	34%	31%
Basic numerical skills and understanding	33%	34%	27%
Writing instructions, guidelines, manuals or reports	30%	25%	27%
More complex numerical or statistical skills and understanding	26%	27%	27%
Communicating in a foreign language	25%	12%	14%
Adapting to new equipment or materials	25%	26%	24%
Manual dexterity	19%	18%	19%
Computer literacy / basic IT skills	18%	32%	23%
None of the above	10%	5%	8%
Advanced or specialist IT skills	10%	23%	21%
Oral Welsh language skills	1%	0%	1%
Don't know	1%	2%	3%

Source: Economic Insight analysis of ESS 2017.

Compared to overall UK and UK retail employers with vacancies due to skills being hard to find, Hospitality and Tourism employers struggle comparatively more to find the following skills:

- 11 percentage points more Hospitality and Tourism employers cited *communicating in a foreign language* as hard to find;
- 9 percentage points more Hospitality and Tourism employers cited *knowledge of how organisation works* as hard to find; and

- 6 percentage points more Hospitality and Tourism employers cited *basic numerical skills and understanding* and *reading and understanding instructions, guidelines, manuals or reports* as hard to find.

HOSPITALITY AND TOURISM EMPLOYERS CITED DIGITAL SKILLS (E.G. COMPUTER LITERACY / BASIC IT SKILLS AND ADVANCED OR SPECIALIST IT SKILLS) LESS FREQUENTLY THAN ALL UK EMPLOYERS AS HARD TO FIND.

On the other hand, Hospitality and Tourism employers found the following skills comparatively 'easier' to find than all UK employers. Compared to all UK employers:

- 11 percentage points less Hospitality and Tourism employers cited advanced *or specialist IT skills* as hard to find;
- 5 percentage points less Hospitality and Tourism employers cited *computer literacy / basic IT skills, solving complex problems requiring a solution specific to the situation* and *specialist skills or knowledge needed to perform the role* as hard to find.

The spread of these technical skills that were hard to find remained relatively stable across the both the different regions and segments considered.

Which people and personal skills are hard to find?

Hospitality and Tourism employers consider **self-management skills** (such as for example the *ability to manage own time and prioritise own tasks*; as well as *managing own / others' feelings*) comparatively harder to find than retail or all UK employers.

They also cited **sales and customer skills** (e.g. *customer handling* and *sales skills*) as hard to find. Here, retail employers found these even harder to find than Hospitality and Tourism employers. This could be an indication that these skills are difficult to find / train. The following table illustrates which 'soft' skills UK employers found difficult to find.

Table 36: Soft skills lacking amongst applicants to establishments with SSVs (% of establishments with SSVs that find skill hard to find) - 2017, UK

	UK Hospitality and Tourism	UK retail	UK all industries
Unweighted base establishments with SSVs	*910*	*421*	*7,229*
Ability to manage own time and prioritise own tasks	67%	54%	53%
Customer handling skills	51%	58%	43%
Managing their own feelings, or handling the feelings of others	51%	40%	36%
Team working	51%	46%	40%
Managing or motivating other staff	50%	34%	35%
Persuading or influencing others	40%	42%	32%
Sales skills	38%	55%	30%
Setting objectives for others and planning human, financial and other resources	35%	28%	25%
Instructing, teaching or training people	34%	27%	24%
Making speeches or presentations	20%	18%	17%
None of the above	11%	18%	22%
Don't know	2%	2%	4%

Source: Economic Insight analysis of ESS 2017.

Compared to all UK employers:

- 15 percentage points more Hospitality and Tourism employers found *managing or motivating other staff* and *managing their own feelings or handling the feelings of others*;
- 14 percentage points more Hospitality and Tourism employers found *ability to manage own time and prioritise own tasks* hard to find; and
- 11 percentage points more Hospitality and Tourism employers found *team working* hard to find.

HOSPITALITY AND TOURISM EMPLOYERS FOUND MANAGEMENT AND LEADERSHIP SKILLS (E.G. MANAGING OR MOTIVATING OTHER STAFF; PERSUADING OR INFLUENCING OTHERS ND SETTING OBJECTIVES FOR OTHER) MORE FREQUENTLY HARD TO FIND THAN ALL UK EMPLOYERS.

Compared to other UK sectors, Hospitality and Tourism employers cite **management and leadership skills** (e.g. managing or motivating other staff; persuading or influencing others; and setting objectives for others / planning resources) as more difficult to find compared to the UK retail. From the in-depth interviews, the common theme surrounding management roles was that within the Hospitality and Tourism sector it was common to move up the career ladder, rather than entering the sector with the necessary management skills and / or a management degree, for example.

The spread of the technical and soft skills that were hard to find remained relatively stable across the both the different regions and segments considered.

4.3.3 What skills are lacking amongst **the current workforce**?

As per the analysis set out int previous chapter, the ESS provides insight into skills that employers have perceived to be lacking amongst their workforce and can be split into two groups as per the skills that have been found lacking externally:

- **Technical and practical skills.** These are the specific skills required to perform the specific functions of a job role, and include for example computer and literacy skills.
- **People and personal skills.** These include the 'softer' and less tangible skills required to manage oneself and interact with others in the workplace.

Technical and practical skills that need improving

The most common technical skills that are lacking in the current Hospitality and Tourism workforce are **operational skills**, such as for example the *knowledge of products and services offered by the organisation* (50% of establishments with skills gaps reported this a skill that needs improving) and *specialist knowledge* (45%). This is similar to the proportion of establishments with skills gap in the UK retail and all other industries stating they have a skills gap, as illustrated in the table below.

Table 37: Technical skills that need improving (% of establishments with any skills gaps that find skill needs improving) - 2017, UK

	UK Hospitality and Tourism	UK retail	UK all industries
Unweighted base: establishments with skills gap	*2,672*	*2,283*	*18,021*
Knowledge of products and services offered by your organisation and organisations like yours	50%	56%	46%
Specialist skills or knowledge needed to perform the role	45%	44%	53%
Knowledge of how your organisation works	43%	41%	37%
Solving complex problems requiring a solution specific to the situation	38%	37%	43%
Reading and understanding instructions, guidelines, manuals or reports	34%	29%	30%
Adapting to new equipment or materials	32%	31%	31%
Basic numerical skills and understanding	26%	22%	20%
Computer literacy / basic IT skills	21%	30%	28%
Writing instructions, guidelines, manuals or reports	21%	17%	23%
More complex numerical or statistical skills and understanding	20%	21%	23%
Communicating in a foreign language	17%	11%	11%
Manual dexterity	15%	11%	14%
Advanced or specialist IT skills	14%	16%	22%
None of the above	11%	11%	10%
Oral Welsh language skills	1%	1%	1%
Don't know	1%	0%	1%

Source: Economic Insight analysis of ESS 2017.

Compared to the UK as a whole, Hospitality and Tourism establishments with skills gaps cited **digital skills** (e.g. *computer literacy / basic IT skills* and *advanced or specialist IT skills*) as needing improvement less frequently than both UK retail and UK all industries. Similarly, Hospitality and Tourism establishments with skills gaps around **complex analytical skills**, such as *solving complex problems* or *complex numerical / statistical skills*, cited these as needing improvement similarly to the UK retail and all industries.

Compared to all other UK industries, Hospitality and Tourism establishments considered that ***communicating in a foreign language*** was also a skill that needed improving more frequently than establishments in the wider economy.

People and personal skills that need improving

In terms of people and personal skills that need improving, Hospitality and Tourism establishments with skills gaps consider that **self-management skills** (such as for example the *ability to manage own time and prioritise own tasks*; as well as *managing own / others' feelings*) need improving more often than those in retail or other UK industries (67% of establishments with any skills gap, compared to 60% and 62% respectively).

Hospitality and Tourism establishments with any skills gaps cited **sales and customer skills** (e.g. *customer handling* and *sales skills*) as needing improvement more often than UK retail and all industry establishments. This could be an indication that these skills are difficult to find / train.

Compared to other UK sectors, the Hospitality and Tourism sector does not have significantly more gaps in **management and leadership skills** (e.g. *managing or motivating other staff*; *persuading or influencing others*; and *setting objectives for others / planning resources*).

Table 38: Soft skills that need improving (% of establishments with any skills gaps that find skill needs improving) - 2017, UK

	UK Hospitality and Tourism	UK retail	UK all industries
Unweighted base: establishments with skills gap	*2,672*	*2,283*	*18,021*
Ability to manage own time and prioritise own tasks	67%	60%	62%
Customer handling skills	62%	55%	46%
Team working	53%	46%	46%
Managing their own feelings, or handling the feelings of others	47%	42%	40%
Sales skills	47%	51%	32%
Managing or motivating other staff	43%	40%	36%
Persuading or influencing others	38%	38%	35%
Instructing, teaching or training people	33%	28%	28%
Setting objectives for others and planning human, financial and other resources	29%	28%	27%
Making speeches or presentations	17%	15%	18%
None of the above	10%	13%	15%
Don't know	1%	1%	1%

Source: Economic Insight analysis of ESS 2017.

Why are there skills deficits in the existing workforce?

Most skills gaps set out above were caused – in part - by **transient factors**, such as for example staff being new to the role or their training only being partially completed. These transient factors are expected to ease over time, but of course, consistently high levels of staff turnover would have the effect of a persistent skills gap.

Other factors that can impact the skills deficits in the existing workforce are **transformational factors**, such as for example the introduction of new working practices, technologies or the development of new products and services.

Non-transient factors are less likely to have an obvious, natural end in sight for a given employee, i.e. the lack of motivation might simply be temporary, but this could be expected to naturally resolve itself in the same way as a new recruit completing their induction. Staff lacking motivation is still the most important non-transient factor in terms of causes of skills gaps.

Staff being on training but not improving significantly and not being able to recruit staff with the right skills in the first instance were also large contributing factors to the skills gaps in the Hospitality and Tourism sector.

The following table illustrates the main causes of skills gaps.

Table 39: Main causes of skills gaps (% of establishments with any skills gaps) - 2017, UK

	UK Hospitality and Tourism	UK retail	UK all industries
Unweighted base: establishments with skills gap	*2,672*	*2,283*	*18,021*
They are new to the role	68%	65%	61%
Their training is currently only partially completed	62%	59%	62%
Staff lack motivation	33%	30%	27%
They have been on training but their performance has not improved sufficiently	32%	29%	26%
Unable to recruit staff with the required skills	32%	22%	26%
The introduction of new working practices	24%	26%	23%
They have not received the appropriate training	24%	23%	26%
Problems retaining staff	21%	13%	13%
The development of new products and services	17%	19%	16%
The introduction of new technology	14%	20%	18%
Lack of other skills e.g. communication, interpersonal	3%	2%	3%
Lack of aptitude to do job/reached maximum potential	2%	1%	1%
Other	2%	2%	2%
Don't know	1%	1%	1%
Non-work related problems e.g. health or personal problems	1%	2%	2%
No particular cause	1%	1%	1%
Language barrier - English not first language	1%	1%	1%
Staff are too old to carry out the work required	0%	0%	1%

Source: Economic Insight analysis of ESS 2017.

Compared to the UK, the Hospitality and Tourism establishments with skills gaps state more frequently problems with retaining staff (8 percentage points above the UK average), as well as staff being new to the role (7 percentage points more), and the inability to recruit staff with the required skills, staff lacking motivation and staff having completed their training, but their performance not having improved (all six percentage points above the UK average). Employers from '*hotels*', '*restaurants & pubs'* and '*catering'* and related establishments cited these more frequently as reasons for skills gaps, compared to other Hospitality and Tourism segments employers – 33%, 20% and 35% of employers with any skills gaps in those segments stated these were due to '*problems retaining staff*' respectively.

There was some regional variation in terms of these different causes of skills gaps, however this variation was consistent between all industries and the Hospitality and Tourism sector.

Within the different Hospitality and Tourism segments, compared to the Hospitality and Tourism average '*hotel'* and related businesses find that they are unable to recruit staff with the required skills more frequently than the Hospitality and Tourism average (27 percentage above); as well as problems retaining staff (19 percentage points change) and staff not showing expected progress following training (14 percentage points different).

4.4 What are employee churn rates by segment and location?

Although the workforce make up has remained relatively constant over time, the workforce itself is more mobile and "*on the go*", as well as generally just growing.

The literature and survey evidence show that there is relatively high staff turnover in the Hospitality and Tourism sector. For instance, the literature postulates that Hospitality and Tourism jobs are often seen as "*entry level*" jobs rather than as a career choice, and that a high turnover is reflected in a high number of vacancies.[27]

For example, Kim (2012)[28] found that turnover is affected by levels of prior experience. That is, more experience increases retention. The study also found that in order to retain employees, businesses should develop programmes to improve job satisfaction and organisational commitment.

The online survey of employers suggests that there are the following levels of staff turnover across the Hospitality and Tourism sector. These numbers are likely an underestimation, as the sample was relatively small and therefore not representative of the entire population.

Table 40: Estimated level of churn, UK, 2019

	UK Hospitality and Tourism
Base	*37*
Over 50% every year	*14%*
30% - 50% every year	*16%*
10 – 30% every year	*16%*
Less than 10% every year	*43%*
Don't know	*11%*

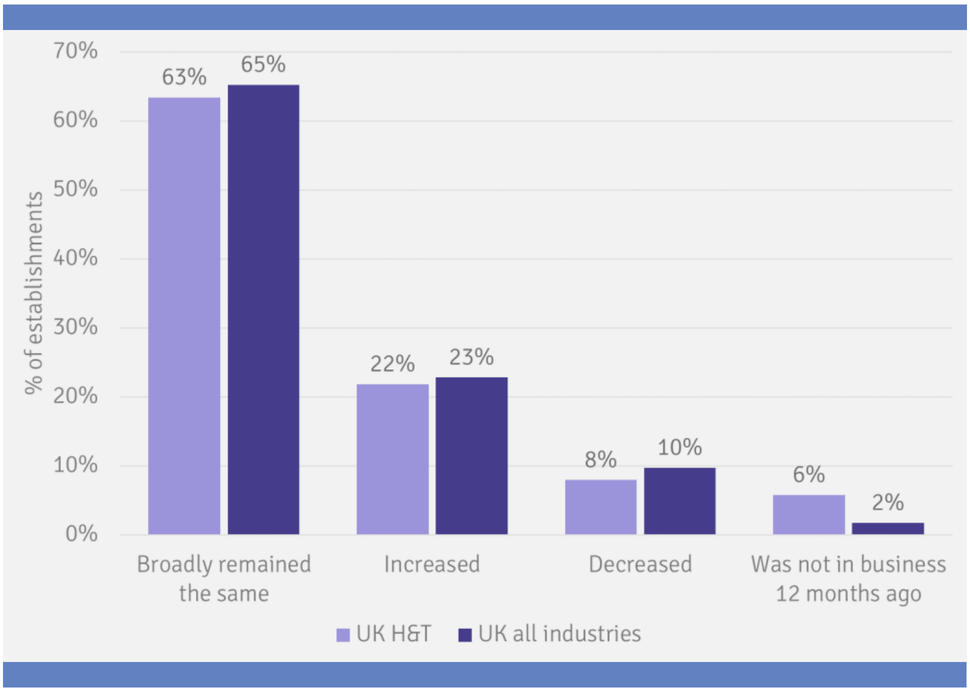
Source: Economic Insight online survey.

[27] *People1st (2016), 'Skills and workforce profile: Hospitality and tourism'.*
[28] *Namhyn Kim (2012), 'Employee turnover intention among newcomers in travel industry'.*

The existing surveys do not provide the opportunity to establish what the level of staff turnover is, but the EPS allows to assess whether establishments' overall staff numbers remained broadly the same, increased, or decreased over the last twelve months. Although this is not an exact measure of churn (as for example, overall the number may have remained broadly the same but there may have been both an in- and out-flow of employees in the establishment throughout the year) it provides some measure of **levels of change in the industry**. The following figure shows whether UK employers and Hospitality and Tourism employers have felt a change in their staff numbers over the last twelve months (in 2016).

UK Hospitality and Tourism BUSINESSES ARE MORE LIKELY TO BE NEW (I.E.. NOT IN BUSINESS TWELVE

Figure 34: Proportion of establishments and how they have changed in size over the last twelve months - 2016, UK



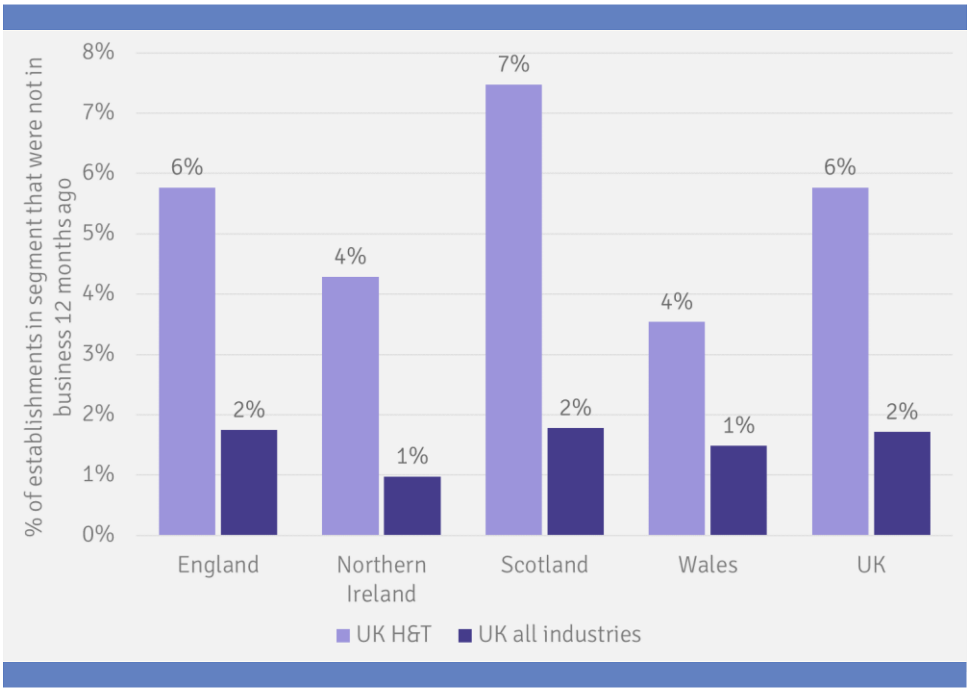
Source: Economic Insight analysis of EPS 2016.

Unweighted base sizes: UK Hospitality and Tourism establishments (2016=1,957); UK establishments (2016=18,028).

As can be seen, compared to the UK overall, there is not much difference for Hospitality and Tourism establishments in terms of increases or decreases of the workforce. Rather, there is a difference in terms of Hospitality and Tourism business that were not in business twelve months ago and the UK average (6% and 2% respectively). This could potentially indicate that the Hospitality and Tourism sector is growing and at a faster rate than other UK industries.

In terms of regions that are driving this change in Hospitality and Tourism establishments, it appears that this is being driven by England and Scotland, as illustrated in the following figure where the proportion of establishments that were not in business twelve months ago in the UK nations is shown.

Figure 35: Proportion of establishments that were not in business twelve months ago - 2016, UK nations



Source: Economic Insight analysis of EPS 2016.

Unweighted base sizes: UK Hospitality and Tourism establishments 2016 (England=1,106; Northern Ireland=142; Scotland=486; Wales=241; and UK=1,975); UK establishments 2016 (England=10,015; Northern Ireland= 2,007; Scotland=4,009; Wales=1,997; and UK=18,028).

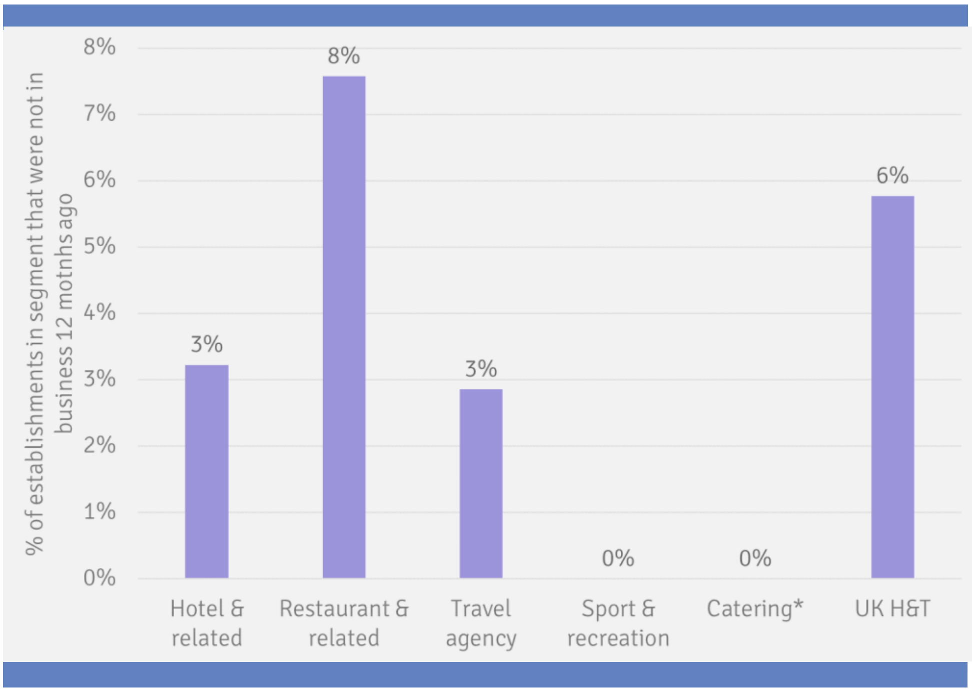
In England, this growth in the sector is particularly pronounced in:

- the North East and East of England (with 10% of Hospitality and Tourism businesses not having been in business twelve months ago); and
- the South West, with 8% of Hospitality and Tourism businesses not having been in business twelve months ago.

In terms of Hospitality and Tourism segments driving this change, this is mostly driven by the '*restaurant & pub'* and related businesses, as 8% of establishments in that segment were not in business twelve months ago, illustrated in the following figure.

8% OF RESTAURANT & RELATED ESTABLISHMENTS WERE NOT IN BUSINESS TWELVE MONTHS AGO IN THE UK.

Figure 36: Proportion of establishments that were not in business twelve months ago - 2016, UK[29]



Source: Economic Insight analysis of EPS 2016.

Unweighted base sizes: UK establishments 2016 ('Hotel & related'= 446; 'Restaurant & related'=1,309; 'Travel agency'=80; 'Sport & recreation'=76; '; and 'Catering'=35).

[29] *Please note the 'passenger transport' and 'event management' segments have been omitted due to too low base sizes ('Passenger transport'=6; and 'Event management'=23).*

5. Training provision

This chapter sets out findings in relation to training provision in the Hospitality and Tourism sector. It provides answers to the following research questions: (i) what training is provided to the Hospitality and Tourism workforce; (ii) who are the learners; (iii) who is providing the training; and (iv) is there evidence of under-provision by geography?

5.1 What training is provided to the Hospitality and Tourism workforce?

This chapter explores first what training is provided to the Hospitality and Tourism workforce in terms of:

- **internal** or **external training**: e.g. who is providing the training, staff within the organisation or external staff / organisation;
- **on-the-job or off-the-job training and development**: e.g. whether the training / development occurs at the individual's work position or not;
- **online training**: e.g. whether the training is provided online; and
- **types of training provided**: e.g. what type of courses are provided to employees.

Further, it explores who the learners are, that is what sub-segments the proportion of staff trained belong to.

Finally, where external training providers have been used, this chapter establishes which training providers have been used.

5.1.1 Internal or external training

The EPS categorises employer training activity as either:

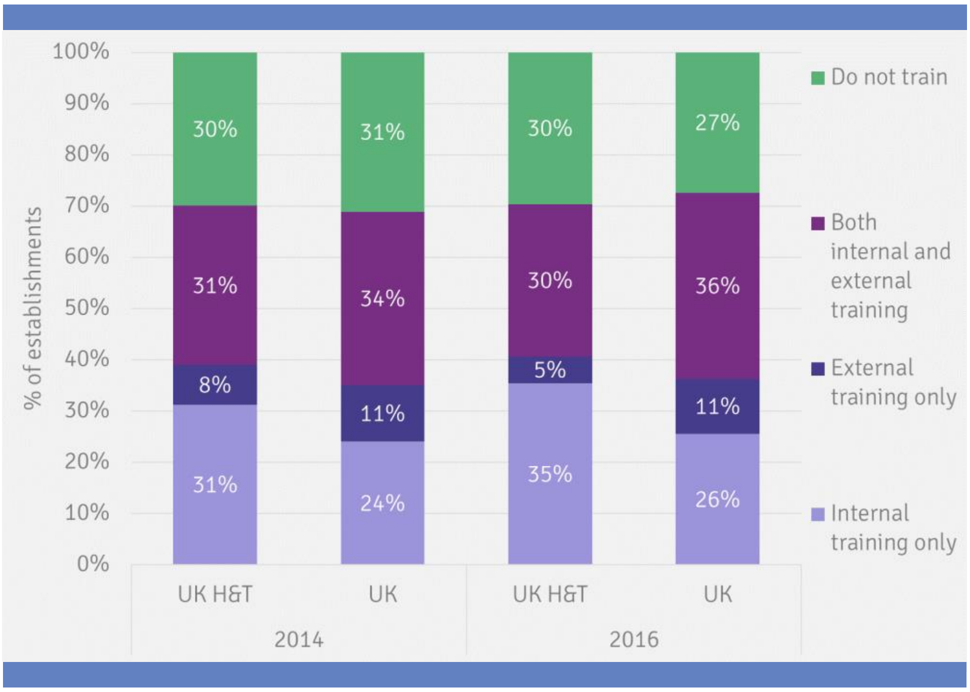
- **internal** training (e.g. training delivered directly by the organisations through its own staff); or
- **external** training (e.g. delivered through external organisations, such as commercial training providers, colleges, universities and other not-for-profit providers).[30]

[30] *The ESS surveys measure training activity among staff using definitions of "on- and off-the-job training"; due to the difference in definitions figures for training should not be compared across the surveys.*

This allows for exploration of the extent to which employers rely on public and private training provision.[31] The extent to which it meets their needs is discussed in the subsequent chapter.

The following figure illustrates the proportion of establishments that funded or arranged training for staff over the past twelve months, both for the UK Hospitality and Tourism sector, as well as the UK overall in 2014 and 2016.

Figure 37: Proportion of establishments that funded or arranged training for staff over the past twelve months – 2014 – 2016, UK



Source: Economic Insight analysis of EPS 2016.

Unweighted base sizes: UK Hospitality and Tourism establishments (2014= 1,913; 2016=1,957); UK establishments (2014=18,059; 2016=18,028).

As can be seen, ca. 30% of establishments do not provide any training to their employees (be this in the Hospitality and Tourism sector or all industries generally). Hospitality and Tourism establishments are more likely to provide internal training only (in 2014 31% of Hospitality and Tourism establishments provided internal training only and in 2016 this was 35%) compared to the UK average (in 2014 24% of all UK establishments provided internal training, only rising to 26% in 2016).

In comparison to overall UK employers providing any training, Hospitality and Tourism employers in London appear to provide more training compared to the UK (5 percentage points more), whereas Hospitality and Tourism establishments in the North East and East Midlands provide less training compared to all industries (e.g. 8 and 7 percentage points less, respectively).

[31] *For consistency with the EPS reporting method, "private" is used to refer to commercial and not-for-profit training providers, as well as regulatory bodies, suppliers and customers. "Public" refers to training provided by FE or HE institutions.*

Table 41: Percentage point difference between Hospitality and Tourism and all industry establishments offering any training, 2017

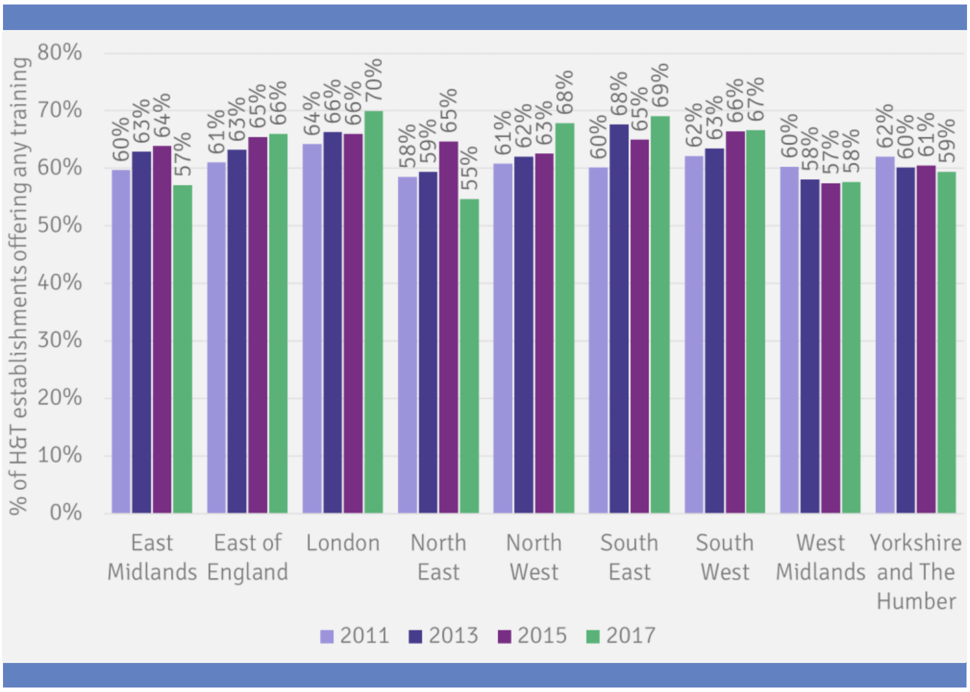
	Proportion of Hospitality and Tourism establishments offering any training less proportion of all establishments offering any training
East Midlands	-7 ppts
East of England	-3 ppts
London	5 ppts
North East	-8 ppts
North West	0 ppts
South East	2 ppts
South West	-2 ppts
West Midlands	-5 ppts
Yorkshire and The Humber	-4 ppts
England	-1 ppts
Northern Ireland	-2 ppts
Scotland	-5 ppts
Wales	-1 ppts
UK	-1 ppts

Source: Economic Insight analysis of ESS 2017.

Unweighted base sizes: see chapter 8, tables 78 and 80,

The following table illustrates the proportion of Hospitality and Tourism establishments offering any training across the different English regions over time.

Figure 38: Any training provided, England regions, 2011- 2017, UK



Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

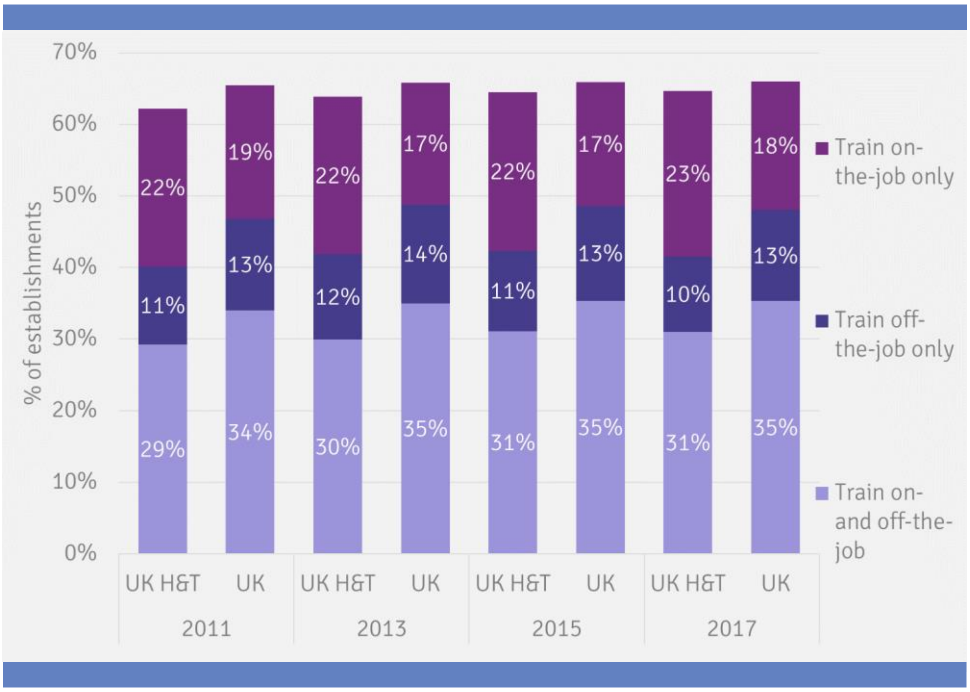
Unweighted base sizes: see chapter 8, table 78.

In 2017, 70% of Hospitality and Tourism employers in London offered any training to their staff, followed by 69% of Hospitality and Tourism employers in the South East, 68% in the North West and 67% in the South West.

The proportion of Hospitality and Tourism employers offering any training decreased in the West Midlands from 60% in 2011 to 58% in 2017; in Yorkshire and the Humber from 62% in 2011 to 59% in 2017; and in the North East from 65% in 2015 to 55% in 2017.

Compared to the UK as a whole, Hospitality and Tourism employers appear to provide more on-the-job only training. This could potentially be because a lot of the tasks / skills required for Hospitality and Tourism occupations are very job specific and not easily outsourced for training.

Figure 39: Training provision, 2011- 2017, UK



Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base sizes: see chapter 8, table 78.

5.1.2 Online training

Compared to all UK sectors, a slightly larger proportion of Hospitality and Tourism establishments that provide training do so online (55% vs. 51%), as illustrated in the following table.

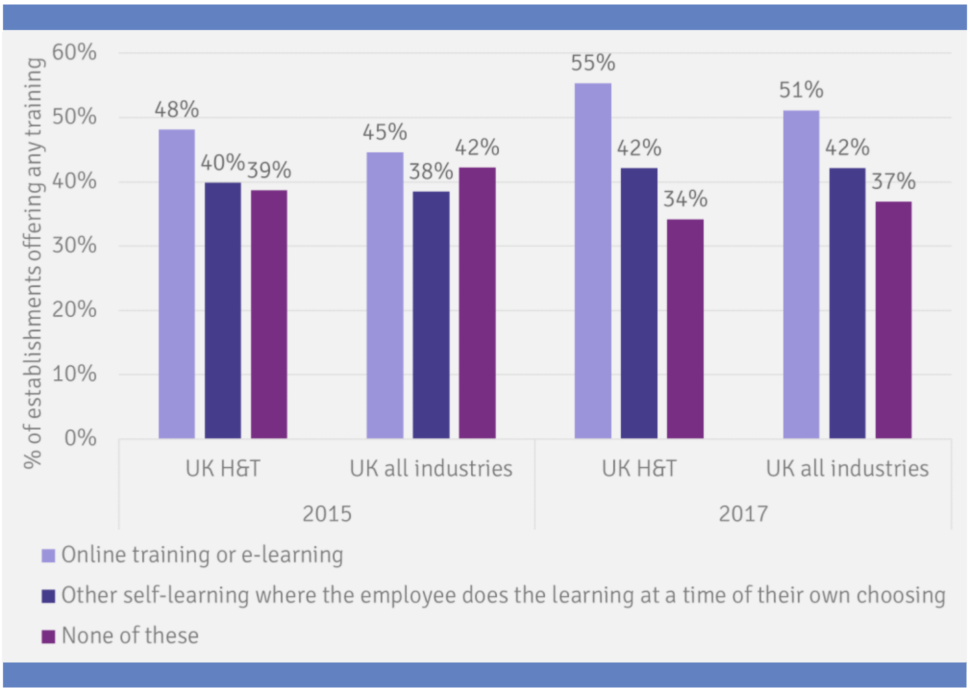
Table 42: Proportion of establishments that offer training offering online / e-learning and other self-learning – 2017, UK

	UK Hospitality and Tourism	UK all industries
Unweighted base: establishments offering any training	*7,321*	*67,950*
Online training or e-learning	55%	51%
Other self-learning where the employee does the learning at a time of their own choosing	42%	42%
None of these	34%	37%
Don't know	1%	1%

Source: Economic Insight analysis of ESS 2017.

The same proportion of Hospitality and Tourism establishments offers other self-learning, besides online, as illustrated in the following figure. It also illustrates the increase in establishments offering online training or e-learning over time.

Figure 40: Proportion of establishments that offer training offering online / e-learning and other self-learning, 2015 and 2017, UK



Source: Economic Insight analysis of ESS 2015 and 2017.

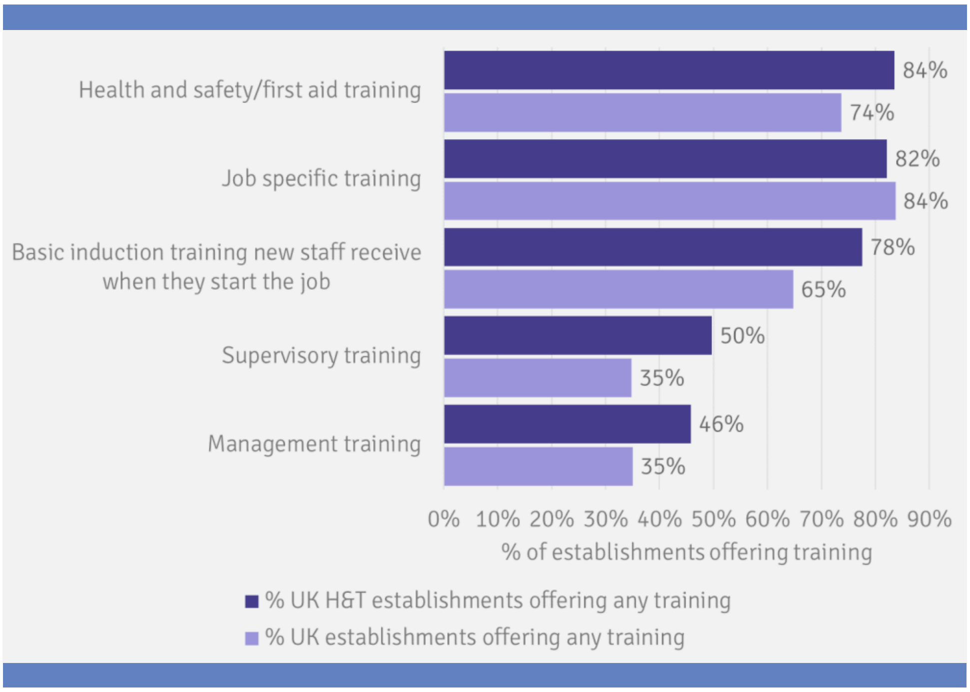
Unweighted base size: UK Hospitality and Tourism establishments offering any training (2015=8,132; 2017=7,321); UK establishments offering any training (2015=69,541; 2017=97,950)

As can be seen, Hospitality and Tourism establishments offering training to their employees are more likely than the UK average to do so online or through e-learning (e.g. 48% of all UK Hospitality and Tourism establishments offering training in 2017, compared to 45% of all UK establishments offering training in 2017).

5.1.3 What are the types of training offered by UK Hospitality and Tourism employers?

In 2017, the most common type of training provided by Hospitality and Tourism employers was **health and safety or first aid training** (84%), followed **by job specific training** (82%). The top 5 most common types of training provided by UK Hospitality and Tourism employers, and the respective figures for UK employers generally are provided in the next figure.

Figure 41: Top 5 types of training provided by employers that train - 2017, UK



Source: Economic Insight analysis of ESS 2017.

Unweighted base size: UK Hospitality and Tourism establishments offering any training (2017=7,321); UK establishments offering any training (2017=97,950)

This illustrates both the importance of health and safety for particular segments in the sector (for example food safety etc.); as well as the very job specific skills.

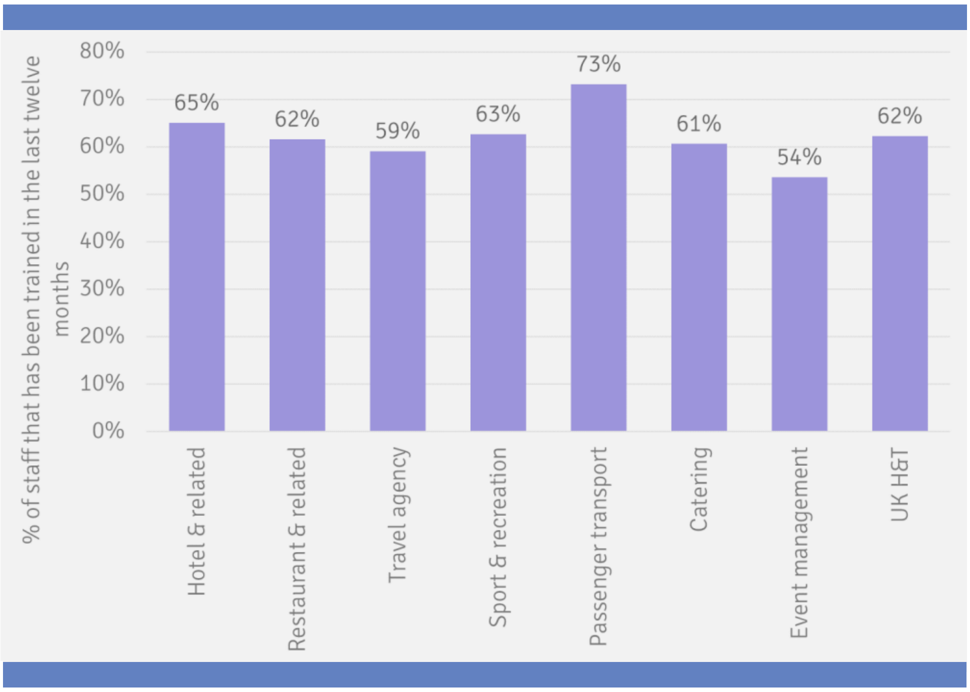
For example, compared to the Hospitality and Tourism provision of health and safety training, 10% more employers in the '*sport & recreation'* sector provide this type of training, as well as 2% more in the '*restaurant & related'* and 1% more in the '*catering'* segments.

Moreover, employers in the '*restaurant & related'* segment more frequently provide basic and more extensive induction training compared to the Hospitality and Tourism average.

5.2 Who are the learners?

In order to establish who the overall Hospitality and Tourism learners are, this section explores the **training density** – that is, the **proportion of total staff that was trained in the last twelve months** – across the different Hospitality and Tourism segments. As can be seen in the following figure, segments that have trained a higher proportion of staff in the last twelve months than the Hospitality and Tourism average (62%) are '*passenger transport'* (73%), *'hotel & related'* (65%), and *'sport & recreation'* (63%).

Figure 42: Training density % (staff trained in the last twelve months / staff) by segment, 2017, UK

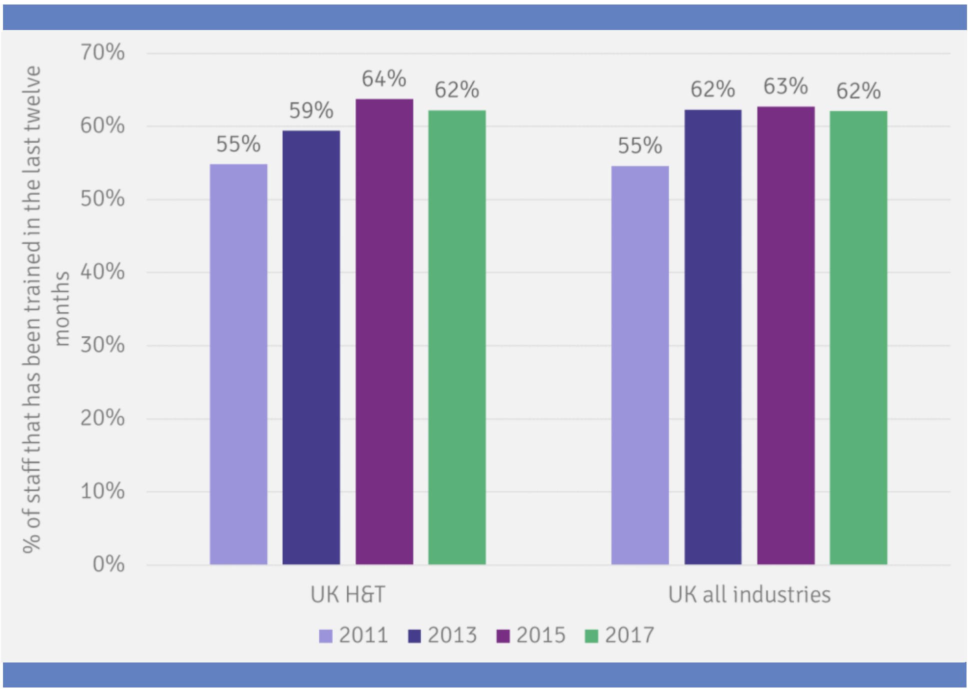


Source: Economic Insight analysis of ESS 2017.

Unweighted base size: UK establishments 2017 ('Hotel & related'=1,454; 'Restaurant & related'=6,844; 'Travel agency'=351; 'Sport & recreation'=596; 'Passenger transport'=39; 'Catering'=155; 'Event management'=64).

The following figure illustrates the proportion of staff that have been trained in the last twelve months in the UK for the Hospitality and Tourism sector, as well as all industries. As can be seen, the proportion of staff being trained in the Hospitality and Tourism sector is very similar to the overall proportion of staff being trained in the UK.

Figure 43: Training density % (staff trained in the last twelve months / staff), 2011-2017, UK



Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Unweighted base size: see chapter 8, , table 78.

5.3 Who is providing the training?

Section 5.1.1 above established that 35% of employers provided external training of some sort in 2016. The EPS identifies the following sources of external training providers and classifies them into public and private training providers in the following way:

- Public training providers:
  - FE (Further Education) Colleges; and
  - universities or other Higher Education Institutions (HEIs).
- Private training providers:
  - other commercial organisations, for example consultants or private training providers;
  - regulatory bodies[32];
  - customers of the establishment's products or services;
  - one or more of the suppliers the establishment uses; and
  - other non-profit making organisations, for example employer associations, voluntary organisations.
- Other training providers:
  - Government institutions e.g. councils/local authorities, NHS; and
  - other.

For simplicity and consistency in the subsequent analysis, the EPS's definitions of private and public training providers are adopted throughout.

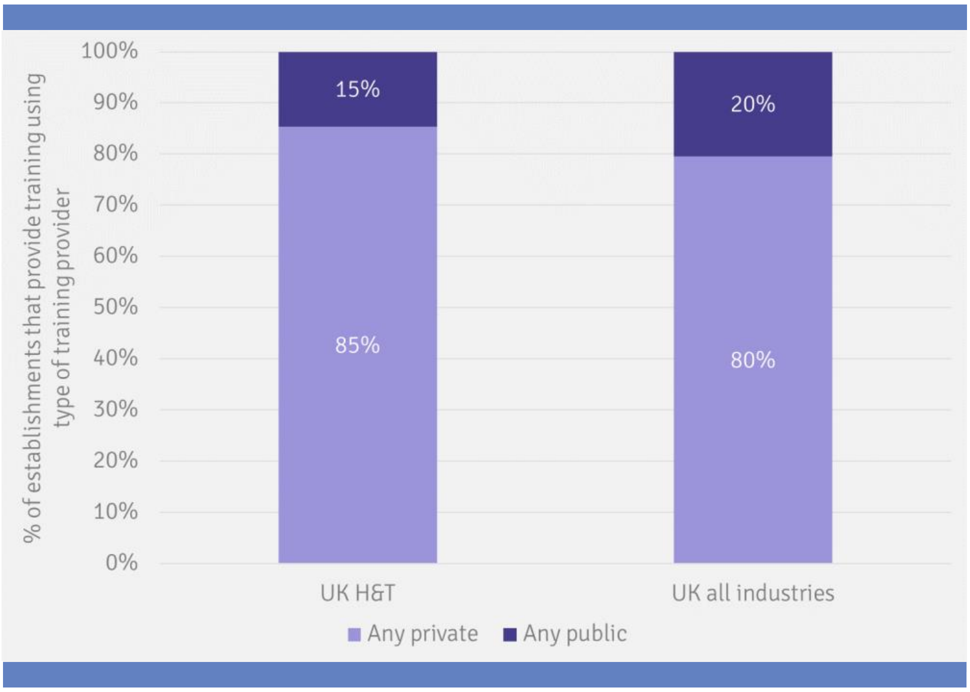
[32] *Only for EPS 2016.*

OVER FOUR FIFTHS OF HOSPITALITY AND TOURISM EMPLOYERS THAT PROVIDED EXTERNAL TRAINING USED PRIVATE PROVIDERS.

Use of public and private training providers

The following figure illustrates the proportion of establishments that provided any external training over the last twelve months for their staff, and whether they provided any private or public training. As can be seen, 85% of UK Hospitality and Tourism establishments that provided external training to their staff provided it privately. This is slightly above the UK average of 80% of establishments providing any private training.

Figure 44: Proportion of establishments that provided any external training for staff over the past twelve months - 2016, UK

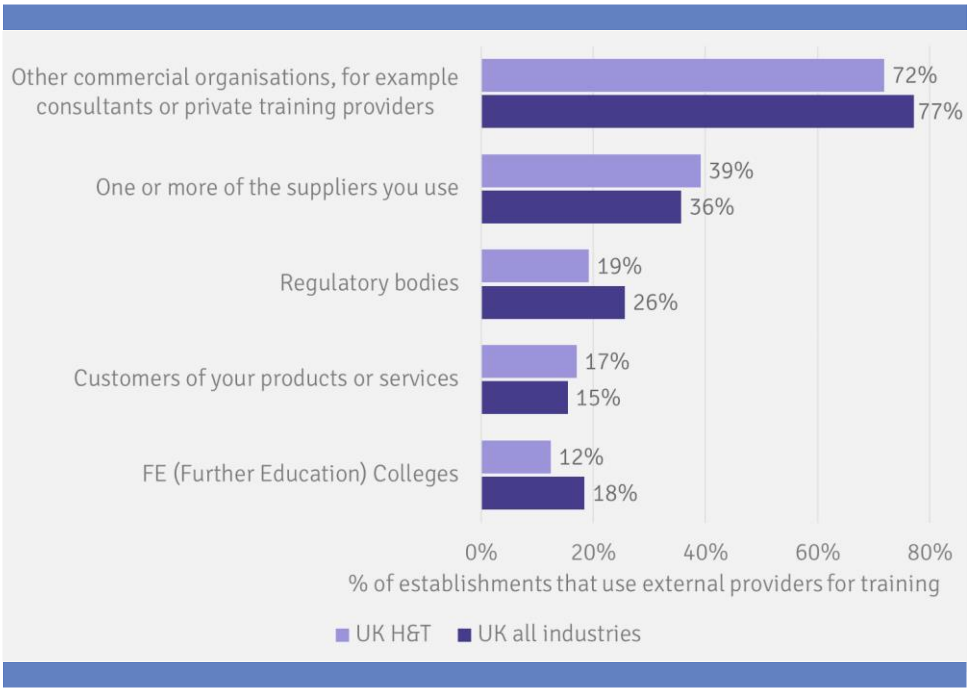


Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments offering training (2016=1,613); UK establishments offering training (2016=14,820)

In terms of training providers used by employers, the following illustrates that the most commonly used external training providers were commercial training organisations (including consultants and private training providers); suppliers and regulatory bodies.

Figure 45: Top 5 external training providers used as a % of establishments that used external providers - 2016, UK



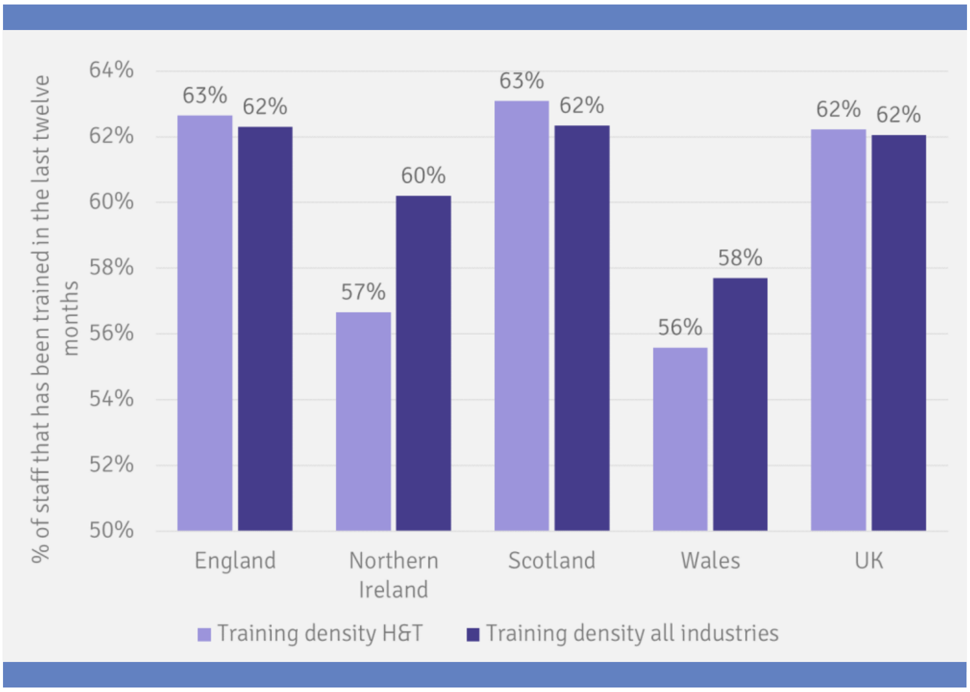
Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments using external providers (2016=868); UK establishments using external providers (2016=9,972)

5.4 Is there under-provision of training by region?

Compared to all UK industries, there appears to be an under-provision of training (in terms of proportion of staff that trained in the last 12 months) in Northern Ireland and Wales.

Figure 46: Training density % (staff trained in the last twelve months / staff) by segment, 2017, UK nations

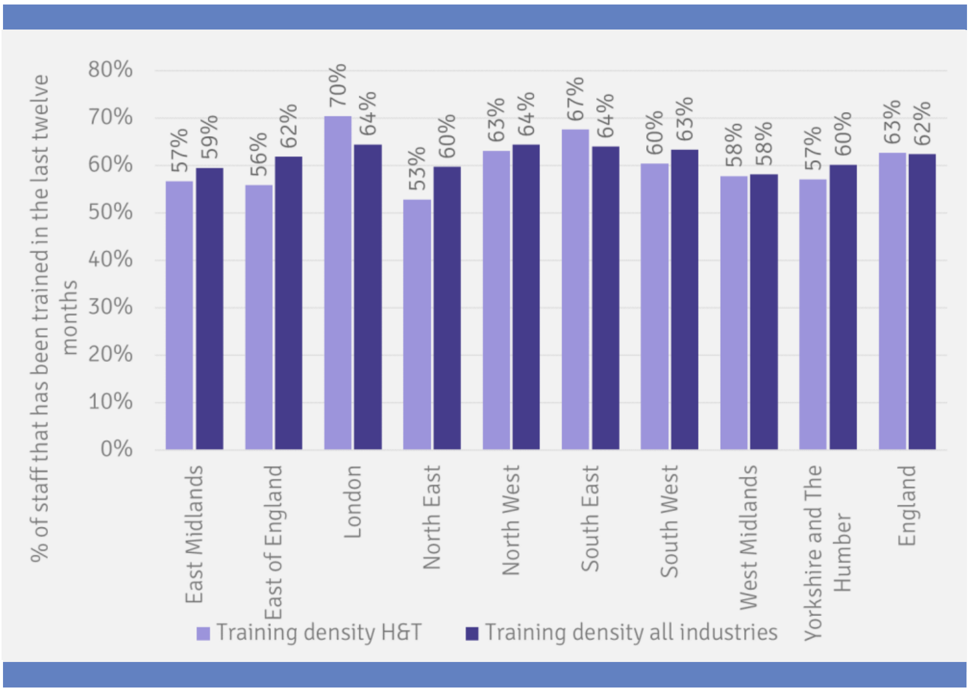


Source: Economic Insight analysis of ESS 2017.

Unweighted base size: see chapter 8, table 48 and 56.

In relation to the English regions, Hospitality and Tourism employers in London appear to train more staff compared to all industries, whereas in other regions they are more equal.

Figure 47: Training density % (staff trained in the last twelve months / staff) by segment, 2017, England regions



Source: Economic Insight analysis of EPS 2016.

Unweighted base size: see chapter 8, table 48 and 56.

6. Skills development barriers

This chapter sets out findings regarding skills development barriers in the Hospitality and Tourism sector. In particular, it answers the following research questions: (i) what are the drivers of employee skills development in the Hospitality and Tourism sector; (ii) what are the barriers to employee skills development in the Hospitality and Tourism sector; (iii) what factors cause the current low pay environment in parts of the sector and what impact does it have; (iv) what are the employee career development opportunities; (v) what factors help attract and retain skilled workers; and (vi) are there new skills and attributes needed by the workforce in the next 5-10 years?

6.1 What are the drivers of employee skills development in the Hospitality and Tourism sector?

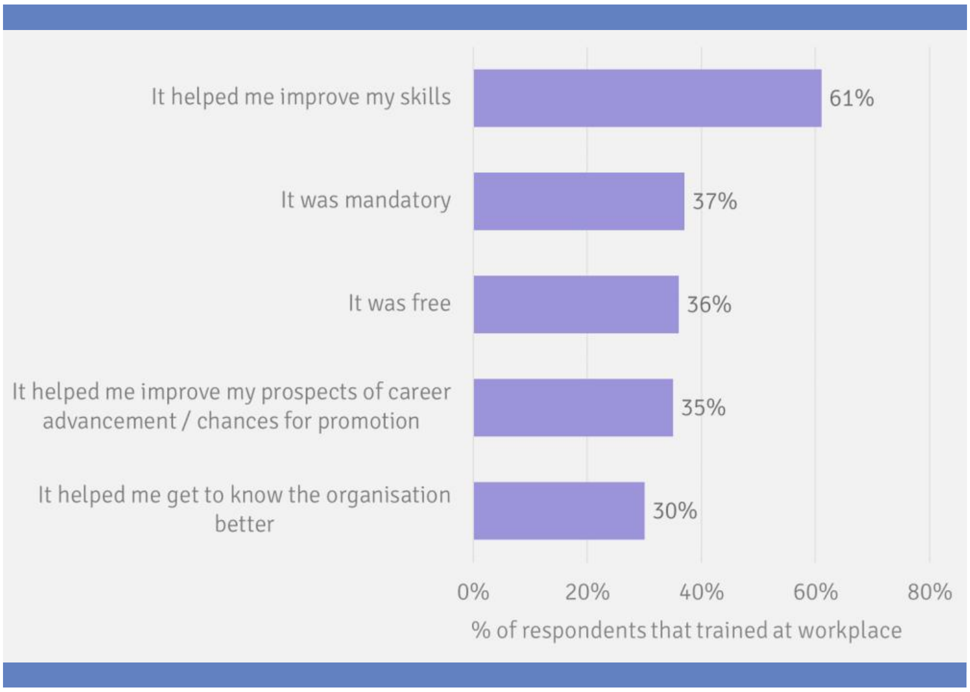
The online survey undertaken as part of this research project explores the motivation of Hospitality and Tourism employees as to why they have or have not pursued any training. 65% of Hospitality and Tourism employees had undertaken training provided by their employer and 9% had undertaken an apprenticeship at their current employer. 25% undertook training funded by themselves and only 15% did not undertake any training at all.

Reasons most commonly cited for undertaking training provided by their employer included that it helped employees '*improve their skills*' (61%). This was also the most commonly cited reason when asked about the reason for undertaking training outside of their workplace (51%). This was closely followed by the reason that *'it helped me acquire new skills'* (48%).

6.1.1 What are the reasons for undertaking training **at the workplace**?

Reasons most commonly cited for undertaking training provided by their employer included that it helped them improve their skills (61%), as illustrated in the following figure.

Figure 48: Top 5 reasons for undertaking training provided by employer, UK, 2019



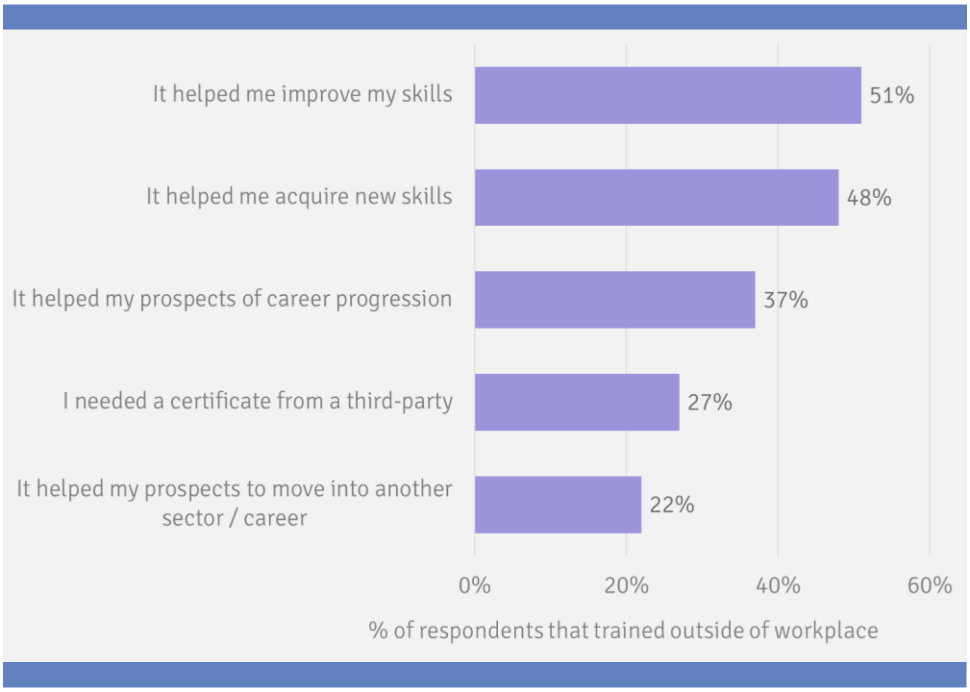
Source: Economic Insight online survey.

Unweighted base size: UK Hospitality and Tourism employee respondents=268.

6.1.2 What are the reasons for undertaking training **outside the workplace**?

The following figure illustrates the top 5 reasons for undertaking training outside of the workplace.

Figure 49: Top 5 reasons for undertaking training outside of workplace, UK, 2019



Source: Economic Insight online survey.

Unweighted base size: UK Hospitality and Tourism employee respondents=268.

As can be seen, improving current and acquiring new skills were the most commonly cited reasons (by 51% and 48% of respondents who undertook training outside of the workplace).

6.2 What are the barriers to employee skills development in the Hospitality and Tourism sector?

6.2.1 What are the reasons for choosing to invest resource in different types of training provider?

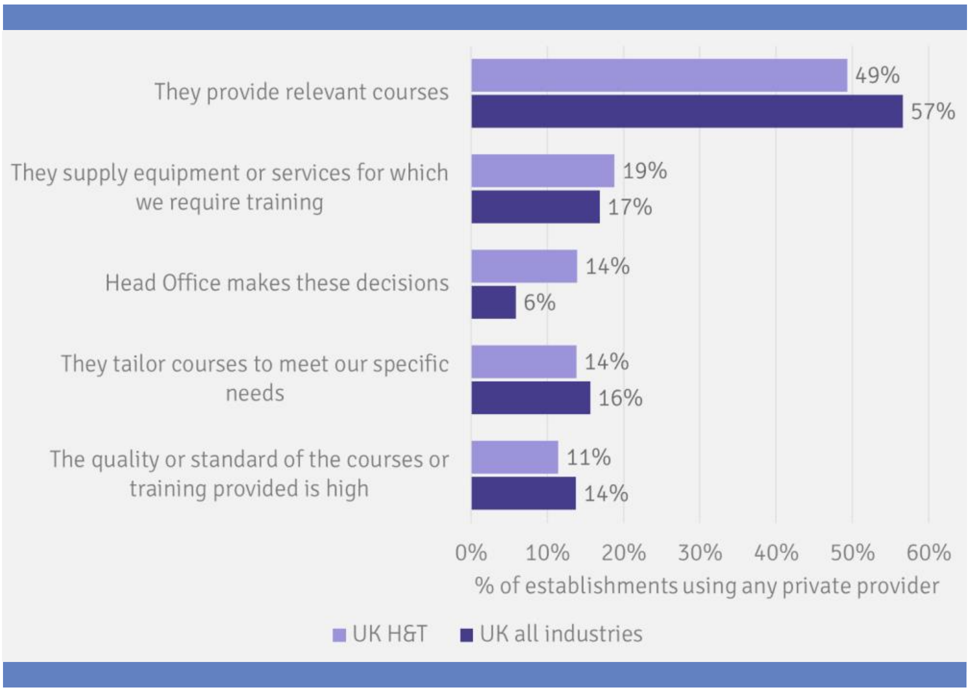
The EPS survey provides some helpful information, from the perspective of employers, as to what influences the decisions they take around where to invest their resource, when considering training provision. In the following subsections, these are set out, in relation to:

- reasons for / against using private providers;
- reasons for / against using public providers;
- reasons for / against using FE institutions; and
- reasons for / against using HE institutions.

Reasons for and against private providers (as indicated by employers)

The following figures shows the 'top 5' reasons employers cite as to why they use private training providers. This shows that the most important reason given is that '*they provide relevant courses*' (49%). The pattern of responses for employers in the Hospitality and Tourism sector is very similar to those for the UK (all industries) average. One notable difference is that in Hospitality and Tourism, employers cite *'they supply equipment or services for which we require training'* more often, relative to the UK overall.

Figure 50: Top 5 reasons for using private providers % of establishments that used any private provider - 2016, UK



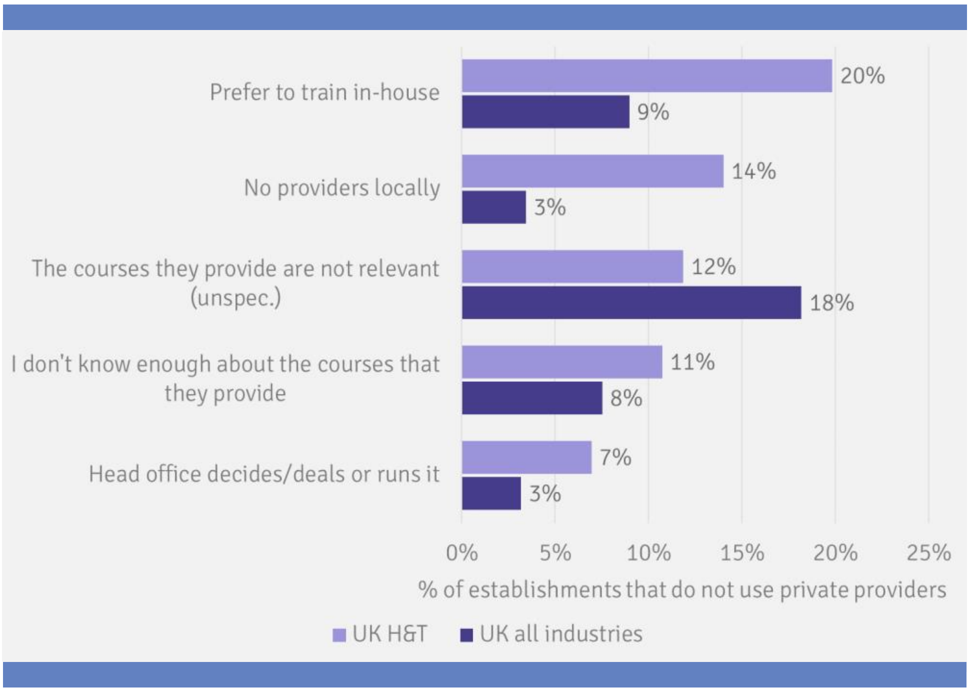
Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments that use any private training providers (2016=868); UK establishments that use any private training providers (2016=9,972).

The next figure shows the top 5 reasons given by employers for **not** using private training provision – and thus may be somewhat more informative of 'barriers'. The data shows that *'prefer to train in house'* is the most commonly cited reason within Hospitality and Tourism. This is followed by *'no providers locally'.* Interestingly, the differences compared to the UK average responses are pronounced. Specifically:

- Whilst *'prefer to train in house'* is cited by 20% of respondents within Hospitality and Tourism, the UK average for all industries is just 9%. On one hand, this is not surprising, as many Hospitality and Tourism roles are 'vocational', where training and development would naturally occur 'on-the-job'. To some extent, this would also seem to limit the scope for private, external, training provision of any kind. On the other hand, it may also be consistent with private training providers **not being sufficiently flexible / having the capacity or capability to deliver training effectively 'on site'.**
- *'No providers locally'* is cited by 14% of respondents within Hospitality and Tourism, but by only 3% of respondents for the UK overall. This difference **seems to suggest that a 'lack of supply' is an issue** – and therefore, a potential barrier. This may also be related to the above point – i.e. whilst the need to train 'on site' may to some extent inherently limit private external training provision – there may also be a lack of provision of training sufficiently flexible to accommodate 'on site' learning.

Figure 51: Top 5 reasons for **not** using private providers % of establishments that used any private provider - 2016, UK



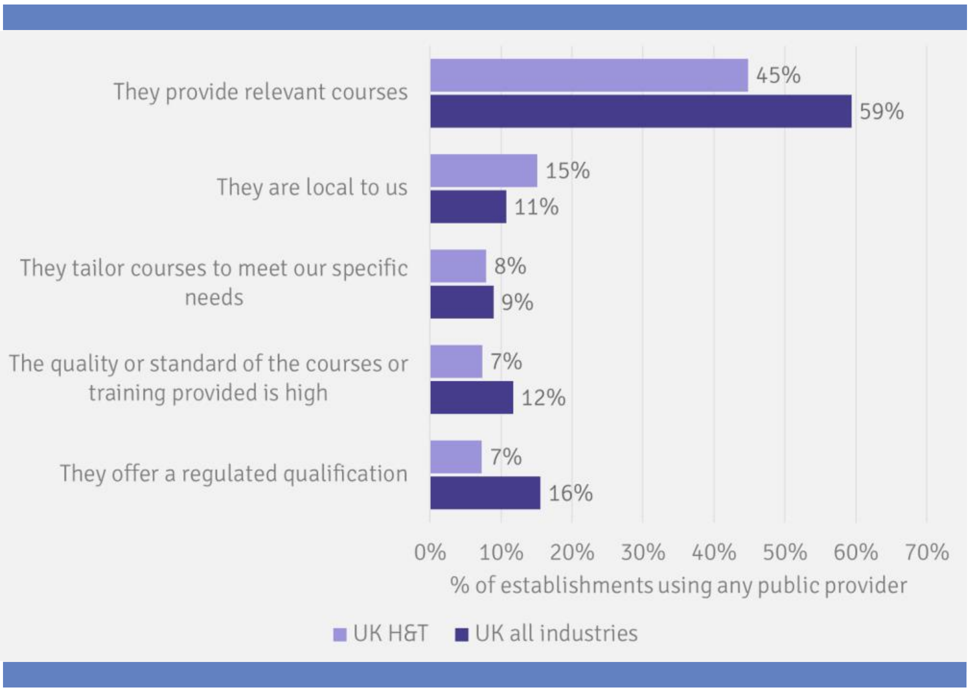
Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments that do not use any private training providers (2016=1,107); UK establishments that do not use any private training providers (2016=8,056).

Reasons for and against public providers (as indicated by employers)

Building on the above, the next figure shows the top five reasons for using 'public' training providers (also from the EPS). As per private providers, 'relevance' is the most commonly cited reason employers give in favour of using public training provision (45%). Again, locality also seems to be important, cited by 15% of respondents – and this seems to be more important in Hospitality and Tourism compared to the UK overall (11%).

Figure 52: Top 5 reasons for using public providers % of establishments that used any public provider - 2016, UK



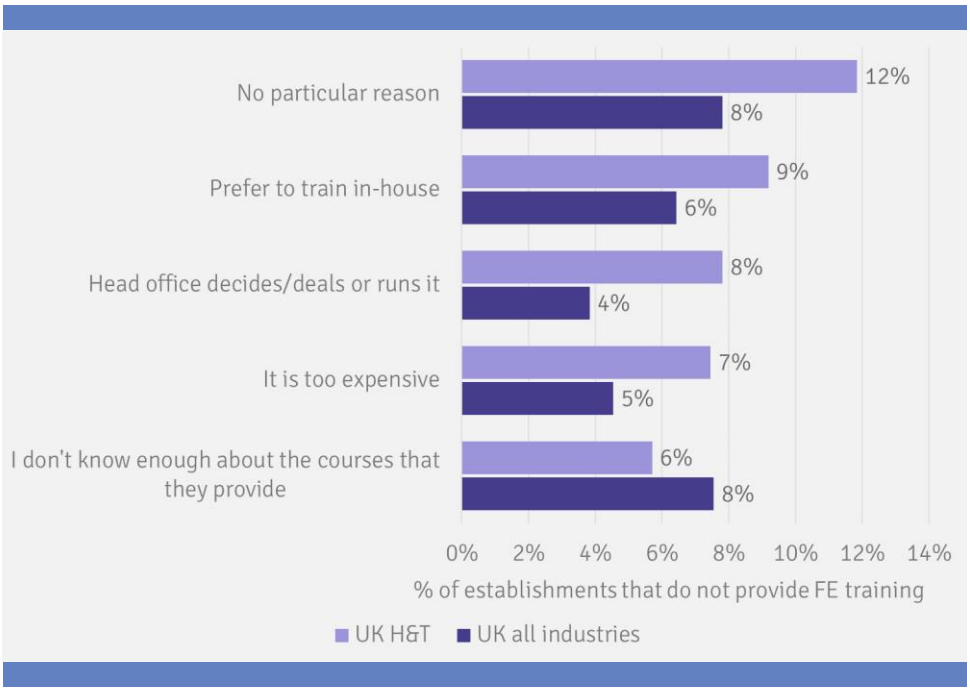
Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments that use any public training providers (2016=182); UK establishments that use any public training providers (2016=3,184).

The next two charts show the top 5 reasons given by employers for **not** procuring training through either **further education (FE) institutions** or **higher education institutions (HEIs).**

In relation to FEs, '*no particular reason'* was the top result – which is uninformative. However, and consistent with the results reported above, *'prefer to train in house'* is the second most common response. Again, this could be related to the inability of external providers (in this case public ones) to train 'on site', which is likely to be important to many Hospitality and Tourism roles.

Figure 53: Top 5 reasons for **not** using FEs % of establishments that have not used FEs as provider - 2016, UK

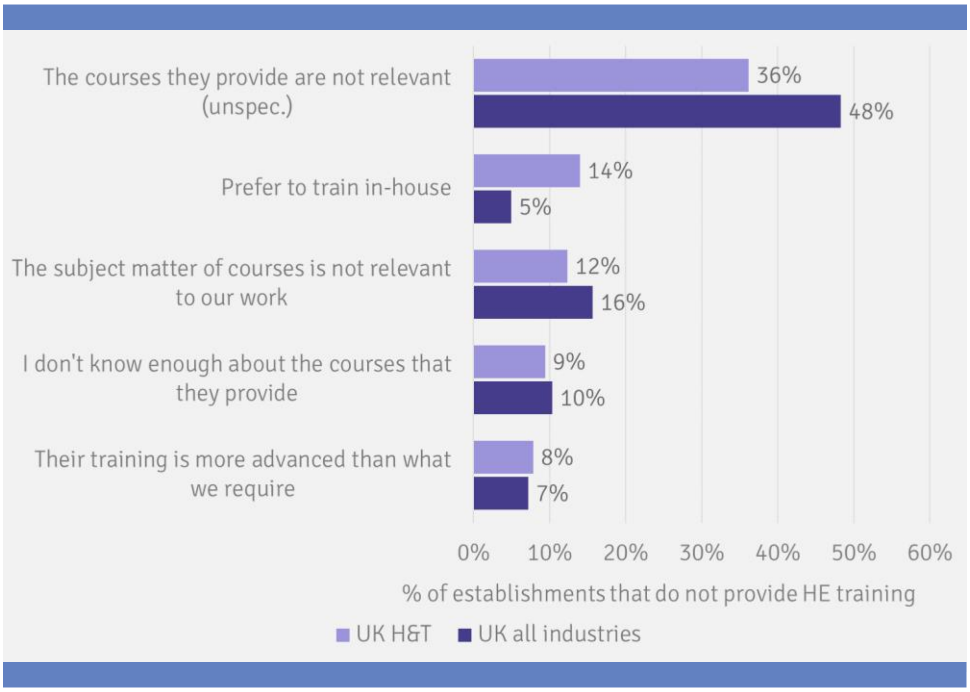


Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments that do not provide FE training (2016=791); UK establishments that do not provide FE training (2016=8,207).

The main reason for not using HEIs is that they do not provide relevant courses. This likely reflects the fact that the vocational nature of the training requirements in many cases are not well aligned to the types of training on offer from certain HEIs.

Figure 54: Top 5 reasons for **not** using HEIs % of establishments that have not used HEIs as provider - 2016, UK



Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments that do not provide HEI training (2016=875); UK establishments that do not provide HEI training (2016=9,016).

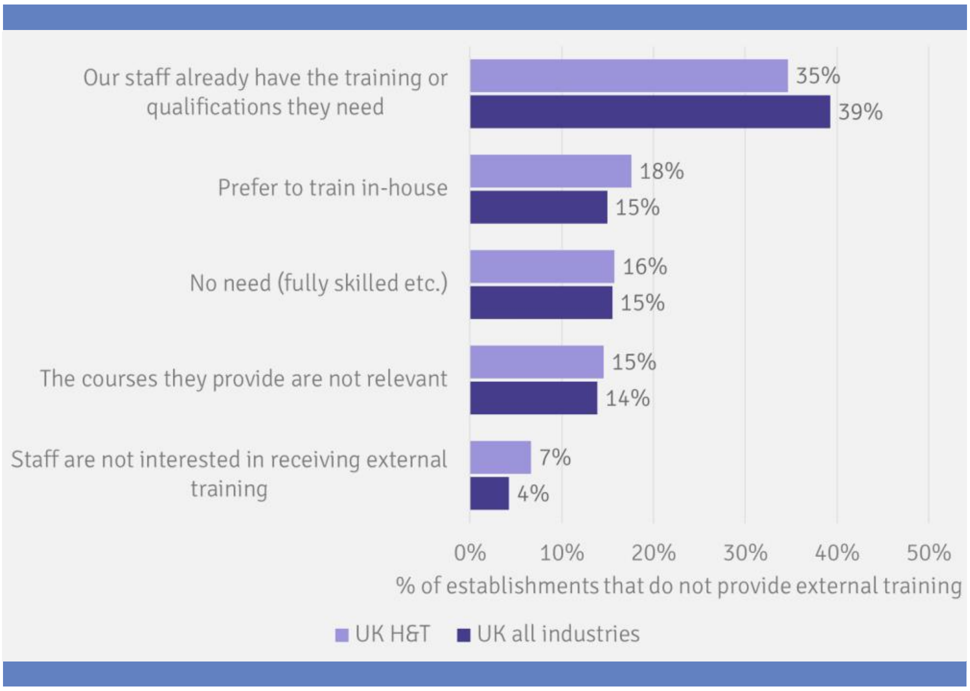
6.2.2 What are the reasons for not using external training providers?

Again, the EPS provides some additional useful information relevant to this question. The following figures shows the top 5 reasons cited by employers for **not** using external training providers. Here, the top reason given is *'staff already have the training or qualifications they need'* (35%). This is followed by *'prefer to train in house'* (18%). The responses are broadly similar to the overall UK all industry average. However, they are consistent with there being both potentially demand and supply side factors that are relevant to the scope of this work:

- Firstly, **on the demand side**, employer responses suggest that in Hospitality and Tourism staff already having the skills and qualifications required is a driving factor of not using external training. Consequently, **a lower use of external training in Hospitality and Tourism may not be a 'problem', but may simply reflect genuine demand differences**, which in turn reflect the differences in job types set out earlier in the report. However, even here caution must be exercised, as the responses reflect the *'perceptions'* of employers. That is to say, there may be instances in which external training may be the most effective solution – but the perception from employers is that this is not the case. To the extent that this is true, the Hospitality and Tourism sector may not be maximising the potential for employee training and development.
- Secondly, **on the supply side**, the fact that 15% of respondents cite the fact that the courses are not relevant (14% for the UK overall) **may suggest that there is some unmet demand for external training in Hospitality and Tourism.** The fact that 18% of respondents cite prefer to train in house (compared to 15% for the UK overall) could be viewed as either a supply or demand side issue. That is

to say, from a demand perspective, it could be part of the explanation as to "why" less external training is demanded in Hospitality and Tourism. From a supply perspective, the preference to train in house may reflect an inability for external trainers to adequately provide training 'on site', as previously noted.

Figure 55: Top 5 reasons for **not** using external training providers, % of establishments that do not provide external training - 2016, UK



Source: Economic Insight analysis of EPS 2016.

Unweighted base size: UK Hospitality and Tourism establishments that do not provide external training (2016=1,032); UK establishments that do not provide external training (2016=7,374).

6.2.3 What are the reasons for not providing **more** training?

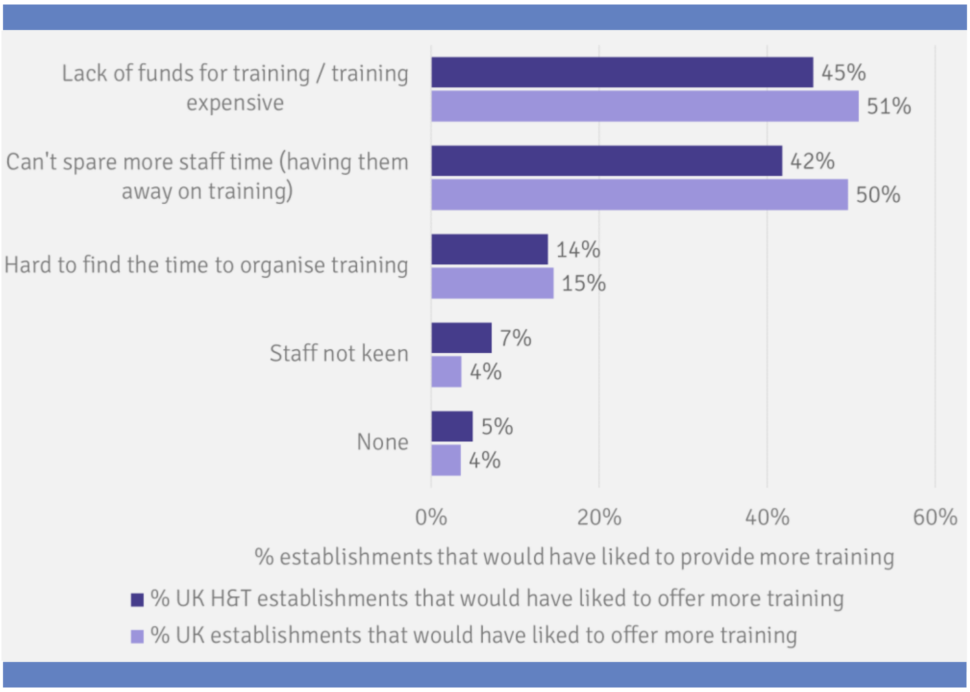
Turning to the issue of the overall provision of training, again the EPS provides helpful data. EPS results show that almost half of UK Hospitality and Tourism employers that trained (48%) would have liked to provide more training than they were able to over the last twelve months. This is slightly above the proportion for all UK employers that trained and would have liked to provide more training (45%). The desire to provide more training was highest amongst Hospitality and Tourism employers in:

- Northern Ireland (54%) and Scotland (53%); as well as
- West Midlands (51%), Yorkshire and the Humber (51%), and London (50%).

Drilling down into the reasons that more training was not provided - the next chart shows the 'top 5' reasons cited by employers. Here, the main reasons given were:

- lack of funds (45%); and
- can't spare more staff time (42%).

Figure 56: Top 5 reasons for **not providing more** training - 2017, UK



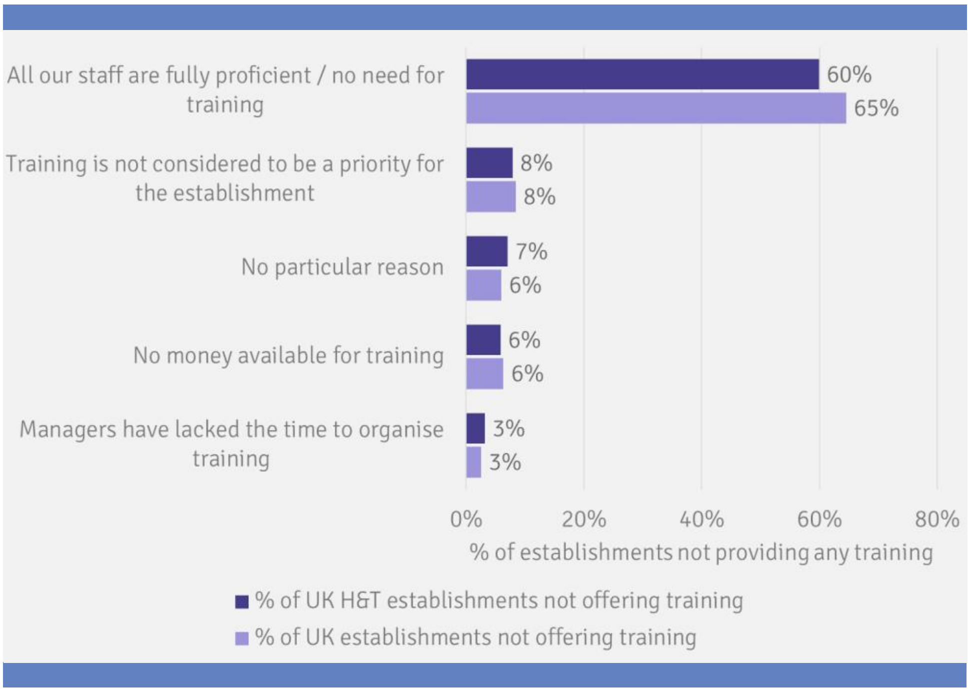
Source: Economic Insight analysis of ESS 2017.

Unweighted base size: UK Hospitality and Tourism establishments that would have liked to provide more training (2017=3,850); UK establishments that would have liked to provide more training (2017=31,832).

6.2.4 What are the reasons for not providing **any** training?

ESS data shows that 35% of Hospitality and Tourism employers chose not to provide any training or development for their staff in the last twelve months, which is very similar to the overall proportion of UK employers choosing not to provide any training and development (34%). As above, it is helpful to explore the reasons for this. Accordingly, the following figure illustrates top 5 reasons for UK employers not providing any training to their staff. The main reason both for Hospitality and Tourism and UK overall employers is that staff are fully proficient and therefore do not require any further training (60% and 65% respectively).

Figure 57: Top 5 reasons for **not providing any** training - 2017, UK



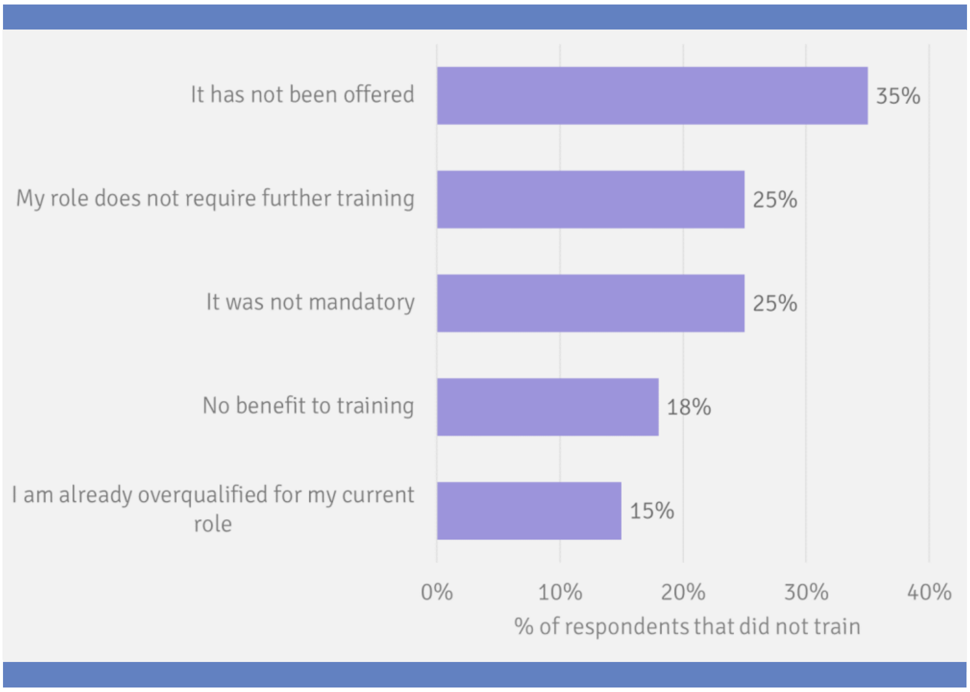
Source: Economic Insight analysis of ESS 2017.

Unweighted base size: UK Hospitality and Tourism establishments that do not provide any training (2017=2,182); UK establishments that do not provide any training (2017=19,480).

6.2.5 What are the reasons for not undertaking **any** training?

Data from the online survey explores the main reasons as to why Hospitality and Tourism employees do not undertake any training. The following table illustrates the top 5 reasons cited for not undertaking any training at all by respondents.

Figure 58: Top 5 reasons for not undertaking any training, UK, 2019



Source: Economic Insight online survey.

Unweighted base size: UK Hospitality and Tourism employee respondents=268.

It demonstrates that the top reason is that it has not been offered (35%). This could potentially indicate an information problem, in that staff do not know what training is available / provided, and hence do not undertake any training.

Further, the online survey asked respondents how they thought about skills development currently. Responses are illustrated in the following table.

Table 43: Skills development, UK, 2019

	UK Hospitality and Tourism
Base	*268*
I have other personal priorities at the moment	18%
I do not know what is available to help me develop my skills	12%
I never get around to it	12%
I do not need to learn anything new	12%
I am not sure that engaging in skills development will lead to the desired outcomes	11%
I am worried that I will fail any exams / tests	10%
Learning is not encouraged by my family / peers	8%
I do not feel confident in developing my skills	7%
I am too old to learn	7%
I do not know why I need to develop my skills any further	6%
I do not have the basic skills required to improve any further	4%

Source: Economic Insight online survey.

As can be seen, having other priorities currently (18%), but also not knowing what is available to help develop their skills (12%) and simply not getting round to it (12%) were the most commonly cited issues around skills development.

6.2.6 What is holding back employee skills development?

Finally, the online survey also explores the main reasons that were holding back employee skills development. The following table illustrates the results.

Table 44: What is holding back skills development, UK, 2019

	UK Hospitality and Tourism
Base	*268*
Lack of time	32%
Cost / lack of financial support	22%
Employer unwilling or unable to resource training or time off	15%
Lack of formal systems for progression / rewarding skills development	14%
Lack of space or resources for work related training	13%
Lack of provision of appropriate quality, relevance and content	12%
Lack of support / advocacy from unions, peers, management	11%
Lack of work culture that encourages skills development	10%
Inappropriate allocation of skills development opportunities by management	8%
Lack of job ownership / autonomy to effectively deploy skills	7%
None of the above	25%

Source: Economic Insight online survey.

The main reason holding back employee skills development is lack of time (32% of respondents considered this to be holding them back).

6.3 What factors cause the current low pay environment in parts of the sector and what impact does it have?

There are a range of factors that may be contributing to ‘low pay’ in Hospitality and Tourism overall and for segments within it. **To some extent, lower pay may be consistent with the labour markets functioning effectively.** That is to say, absent any labour market failures, the equilibrium wage rate for labour in Hospitality and Tourism may well be below that for the overall UK average wage (in fact, intuitively, there are good reasons to suppose this will be the case).[33]

Notwithstanding the above, however, there are also a range of potential market failures / inefficiencies, which may also be contributing to these outcomes. These are hard to ‘prove’ or ‘quantify’ analytically. Nevertheless, they are discussed in some detail in the literature. Therefore, they are briefly summarised here:

- **Inefficiently high churn resulting in low productivity.** It is possible that productivity within Hospitality and Tourism is artificially lowered by it having a higher rate of churn than is optimal. Here, it is important to note that Hospitality

[33] *For example, the more flexible nature of the work will increase total available supply. In addition, on the demand side, certain roles will inherently be ‘low productivity’ compared to roles in other sectors (thus reducing willingness to pay).*

and Tourism having a higher rate of churn of employees is not, in itself, an indication that there is a 'problem'. However, it is possible that the higher churn may, in part, be due to market failures. For example, information asymmetries may mean that workers underestimate the scope for progression, promotion and development. They therefore 'leave' Hospitality and Tourism roles sooner than they would, *were they to have accurate information.* In turn, to the extent that this results in 'inefficient' churn, this likely negatively impacts productivity within Hospitality and Tourism – thus contributing to low pay.

- **There may be a higher incidence of 'shadow' labour or 'forced' labour in the Hospitality and Tourism industry.** That is to say, labour markets are generally governed by a set of rules and regulations. This relates to a range of areas, including: immigration; health and safety; minimum wage; working time; access to pensions; and so on. In practice, there will be a proportion of employers who use workers in a way that circumvents those regulations – thus paying lower wages and achieving lower costs. A more extreme version of this is 'forced labour', whereby the workers are not employees at all, but rather are effectively 'slaves'. In either case, if these practices are more prevalent in Hospitality and Tourism than for the UK as a whole, this may in part contribute to the 'low pay' gap. The flexible and seasonal nature of Hospitality and Tourism roles, coupled with an expected high churn rate, indicates that this could be the case.

- **Information asymmetries between employers and end customers.** In certain areas of hospitality, pay may be depressed due to asymmetries between employers and end customers. For example, in restaurants and hotels, customers may expect that staff are remunerated through a combination of their wage and 'tips'. In circumstances where a service charge is shown on a bill, customers may believe that this is entirely allocated to staff. Consequently, to the extent that customers will tip based on their assessment of the performance of staff, they may naturally take such service charges into account. However, in practice, employers may, or may not, allocate those charges to staff (and this may also be a matter of degree). Consequently, this information asymmetry between the employer and the customer may result in the effective wage not being reflective of the worker's 'true' performance (productivity). Whilst, in principle, competition in the labour market can mitigate the extent to which this effect can persist, when combined with high churn and the short duration of working, a market failure risk would seem to arise.

French[34] (2018) found that only 2.9% of hospitality employees are union members – the lowest percentage of any UK industry. This, combined with low human resources presence, allows employers to cut labour costs and sometimes pay less than minimum wage. Zero-hour contracts further entrench this issue. This study also puts forward that changes in migration policies arising from EU Exit could increase the risk of modern slavery and trafficking into this industry.

Ferris et al.[35] (2018) found low wages and a large presence of migrant workers in the Hospitality and Tourism industry to be linked. In particular, that employers perceive migrant workers to demand lower wages.

[34] *Steve French (2018), 'Between globalisation and Brexit: Migration, pay and the road to modern slavery in the UK hospitality industry.'*

[35] *Katy Ferris, Derek Cameron, Andrew Jenkins, James Marson (2018), 'The Consequences of the Brexit Vote on Management Attitudes to Recruitment in the Hospitality Industry'.*

A study published by John Lewis Partnerships[36] (2014) finds that key characteristics shared by employees on low pay are that they are older, female, or outside of London. It also finds that frictions between promotions and reduced flexibility may 'trap' some in lower positions (and consequently lower pay). The report suggests that entry level jobs in retail care and hospitality should have career pathways which clearly identify small steps that can be taken to increase pay. Additionally, part-time workers should have similar, but separate pathways, too.

A study by BRC[37] (2016), focusing on the retail sector, found that the ability to work close to where they lived was seen as important across all age groups and segments compared to having a better paid job. It further found that the importance of location increases with age. The study further highlighted that there was a (perceived) friction between pay and flexibility, and removing this could unlock potential in some workers. For example, 44% of respondents thought that it was not worth getting promoted as the work load would increase significantly for only a marginal pay increase. Further, as set out above, the study finds that within the retail sector low pay does not equate to poverty.

A report from the ONS[38] (2014) provides further evidence that low pay is not necessarily indicative of a problem, as half of the part-time workers in the tourism industry reported **not wanting a full-time job**, compared with 70% across all sectors. Just over 20% of part-time workers stated that they were not able to find a full-time job, whereas 30% of the tourism workforce are students, and hence cannot have a full-time position (whilst studying full-time alongside).

Rolfe and Hudson-Sharp[39] (2016) found that flexibility in employment contracts and short-term employment was built into some hospitality business plans to account for fluctuating demand levels.

Box 4: Low pay

Some stakeholders mentioned that the Hospitality and Tourism sector was generally seen as 'low pay' for the following reasons:

- **Seasonality.** Some of the key Hospitality and Tourism segments are seasonal (e.g. summer and Christmas), and in order to fill some / all of these seasonal roles employers rely on student labour. As such, they will be able to provide them with lower wages than full-time non-seasonal employees, for instance.
- **Affordability.** Not all employers may be able to afford higher salaries.

Source: Economic Insight in-depth interviews.

Results from the online survey further support the above affordability point raised by some of the key stakeholders. For example, when asked why they had not increased employees' salaries, respondents **42%** said they could not afford it.

[36] *John Lewis Partnerships (2014), 'Pay progression: Understanding the barriers for the lowest paid.'*
[37] *BRC (2016), 'Retail 2020 report 2: what our people think'.*
[38] *ONS (2014), 'Tourism employment summaries: Characteristics of tourism industries'.*
[39] *Heather Rolfe and Nathan Hudson-Sharp (2016), 'The impact of free movement on the labour market: case studies of hospitality, food processing and construction'.*

6.4 What are the employee career development opportunities?

There is limited quantitative evidence available to inform this issue. However, the literature identifies the following factors as being key determinants of career development opportunities:

- **Communication skills.** Whilst many Hospitality and Tourism roles are vocational and require specific skill sets developed 'on-the-job' (e.g. front-of-house staff), a common skill that arises across most segments and job types is '*communication skills*'. This logically arises because, in most Hospitality and Tourism professions, it is clear that to advance beyond a certain point (i.e. beyond the 'narrow' vocational element) being able to communicate effectively is essential. This seems to be the key requirement that 'unlocks' management type roles within the sector.

- **Self-development.** Because many Hospitality and Tourism roles are within small (if not micro) organisations, workers may not benefit from larger / organised development and training programmes. As such, 'development' is likely to be dependent in part on the initiative of the workers themselves. This point was made by Chung-Herrera et al. (2003) who developed a competency model for hospitality leaders. Here, the authors specifically identify 'self-development' as being key to career progression. Within this, attributes identified include: ethics and integrity, time management, flexibility and adaptability.[40]

- **Self-management.** Linked to the above, the small size of firms involved in Hospitality and Tourism will also mean that workers may have less structured management support. As such, progression will be a function of their ability to 'self-manage'. That is to say, their ability to: (i) identify goals and objectives; (ii) develop plans to meet those objectives; and (iii) manage their time effectively to implement those plans in practice.

Scott-Halsell et al.[41] (2008) investigate the importance of emotional intelligence for hospitality industry professionals and career development. They find that key elements to advance career progression include, as set out above: (i) self-awareness; (ii) self-management; (iii) social awareness; and (iv) relationship-management. They find that managers and leaders that excel at those will have a faster career progression.

The following table shows what skills development activities employers from the online survey provide to their staff. As can be seen, almost three-quarters (73%) of employers provide their staff with training.

[40] *Beth G.Chung-Herrera; Cathy A.Enz; Melenie J.Lankau. (2003), 'Grooming future hospitality leaders: A competencies model.' The Cornell Hotel and Restaurant Administration Quarterly.*
[41] *Sheila A. Scott-Halsell, Shane C. Blum & Lynn Huffman (2008), 'A Study of Emotional Intelligence Levels in Hospitality Industry Professionals'.*

Table 45: Skills development activities provided by employers, 2019

	UK Hospitality and Tourism
Base	*37*
Training	73%
Mentoring	35%
Flexi-time / work from home	32%
Supporting apprenticeship	30%
Supporting vocational training	30%
Attending industry conferences	27%
Supporting specialist training	16%
Supporting undergraduate degree	11%
Supporting further education	8%
Supporting postgraduate degree	8%
Other	0%
None of the above	16%

Source: Economic Insight online survey.

Employers from the online survey further provide the following, to encourage both career progression and good working environment.

Table 46: Career progression encouragement, UK, 2019

	UK Hospitality and Tourism
Base	*37*
Verbal recognition	62%
Financial incentives (e.g. commission, bonus)	49%
Promotion for great performance	41%
Written recognition	41%
Regular performance appraisals	41%
Employee of the month awards	38%
Other	3%
None of the above	16%

Source: Economic Insight online survey.

As can be seen, verbal recognition was provided most frequently by all employers.

6.5 What factors help attract and retain skilled workers?

In terms of helping to attract and retain skilled workers, the literature – and the in-depth interviews – identify the following themes as most relevant:

- **A positive culture in which workers feel valued and appreciated.** A factor repeatedly raised in relation to churn and retention is that workers can feel undervalued – and that their skills and contribution are not adequately appreciated. Whilst this is in part, no doubt, linked to pay – the evidence also suggests it is a function of: (i) training; (ii) development opportunities (as discussed above); and (iii) a general culture / perception of roles being of 'low value'.
- **Clear career progression opportunities.** In many cases, a lack of transparent opportunities for individuals to progress acts as an impediment to retention in particular. This may reflect both a 'real' absence of opportunity, but also, a 'perceived' absence, if employers inadequately explain future choices to their staff.
- **Addressing potential labour market inefficiencies / failures.** Whilst the evidence is not definitive, as noted above, there is a range of research to suggest there may be various market inefficiencies and failures, which could mean that the 'wage rate' is below the 'efficient' level. If this is the case, then, by definition, addressing these issues should in turn boost the attractiveness of Hospitality and Tourism jobs to workers – and would also increase retention.
- **Disability inclusiveness.** The nature of certain Hospitality and Tourism job types and roles may create challenges with regard to 'disability inclusiveness' (e.g. some roles may be inherently more active and / or may require flexible working patterns in terms of hours worked and location). However, evidence shows that disability inclusiveness can positively affect both attractiveness and retention.[42] Most obviously, a lack of such inclusion may result in individuals with disabilities themselves being less attracted to the sector. However, more broadly, a lack of inclusiveness may also deter people more generally and may contribute to wider negative cultural perceptions, such as those described above.

6.6 Are there new skills and attributes needed by the workforce in the next 5-10 years?

There is limited quantitative evidence available to inform this issue. However, the literature review, online survey and in-depth stakeholder interviews have garnered some evidence in relation to what the key skills and attributes needed in the future are. There was consensus that the following would be most sought after in the next 5-10 years:

- digital skills;
- social and emotional skills; and
- foreign language skills.

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[42] *For example, see Valentini Kalargyrou (2014) 'Disability Inclusion Initiatives in the Hospitality Industry: An Exploratory Study of Industry Leaders.' Journal of Human Resources in Hospitality & Tourism.*

One key challenge that was further mentioned by a number of stakeholders and employers was that Hospitality and Tourism is not seen as career choice. This forecloses an untapped supply of workers, who may have the right skills, but have not considered this sector as a career choice. This points to a further **information asymmetry problem between employers and (potential) employees**, in that potentially several people in the labour market do not have information about job types and career progression in the sector.

The online survey undertaken as part of this project asked employers about the key technical and soft skills that they envisaged would be needed by the workforce in the next 5-10 years. Employers most frequently mentioned:

'Inevitably digital skills will increase with younger workers.'

'I don't think automation will particularly affect the running of the business.'

- **Digital skills**. Employers were of the view that digital skills and IT skills would become more important. In particular, that a greater use of technology in the work place would require greater skills in that area. As part of this it was also mentioned that training on digital and technological areas would have to increase further.
- **Social and emotional skills.** Employers mentioned a need for more skills in interaction with customers, ability to think on feet and be flexible and ready for change. Some were also concerned that "*as digital takes a more central role in people's lives, **the interpersonal skills set we used to take for granted are suffering**".* Some employers also considered that emotional skills, such as self-awareness and stress-tolerance would become more important in the next 5-10 years. Other skills and attributes mentioned in this context were '*managing mental health*', '*managing feelings*' and '*gender identification*'.
- **Foreign languages.** Consistent with the analysis above, the need to find staff with foreign language skills was stressed multiple times. Moreover, employers were anxious that they will struggle to find staff with those skills, mostly due to EU Exit.
- **People don't consider Hospitality and Tourism a career.** This has been mentioned by some respondents, and it chimes with some concerns voiced that the education system does not appear to support the industry, making recruitment of young talent more cumbersome.

Literature supports that some Hospitality and Tourism segments may be more affected than others. For example, the changing nature of the 't*ravel agency and tour operators'* industry means that a broader range of skills (i.e. both IT and customer service skills) are required.[43]

In Scotland, the accommodation and food sector is set to grow by 5% in size, with the number of manager, director and senior official roles increasing alongside a simultaneous decline in skilled trade positions (e.g. chefs). This will impact the skills / qualifications demanded in the sector. For example, there is a prediction that the share of the workforce with level 7-10 qualifications will increase.[44] The report further identifies the following key priorities:

- improving **management**, **leadership** and **enterprise skills** across the sector;
- supporting the development of **professional and digital skills** for all in the sector;

[43] *People1st (2016), 'Skills and workforce profile: Travel'.*
[44] *Skills Development Scotland (2016), 'Skills Investment Plan For Scotland's tourism sector'.*

- ensuring staff at all levels understand and are able to respond to visitor needs and expectations;
- raising the attractiveness of the sector; and
- whilst there are more women working in the sector overall, they are underrepresented in management and leadership roles.

Baum[45] (2015) puts forward that changes to the nature of the industry have led to an increased need for **'green' skills** (e.g. increased environmental awareness); **social media skills**; and various **communication skills.**

Box 5: Workforce challenges and opportunities over the next 5 – 10 years

Stakeholders generally found it quite difficult to predict future skills requirements over such a long timescale. However, key themes that were raised included:

- **Ageing population and generation Z**. Several stakeholders mentioned that an ageing population, resulting in people having more diverse careers throughout their different life stages, could be both an opportunity and a threat. For Hospitality and Tourism in particular, as interviewees considered it was often perceived as '*a job before a real job*', this helped explain why there was such a high proportion of young people employed in the sector, but it also indicated the potential 'untapped' supply of older workers. Further to the ageing population, another aspect the industry needs to take into consideration are the different demands from younger generations in terms of how to attract them to roles in Hospitality and Tourism. IT was mentioned that a lot of characteristics of work in Hospitality and Tourism fit quite well with the general outlook of that demographic, e.g. producing something immediate, gaining recognition, not 9-5, etc. However, a lot of aspects of work in the sector were also potentially less appealing to that demographic.

- **Digital skills**. Stakeholders mentioned these types of skills would become more important at all levels. Although they would become more important, interviewees struggled to conceive of a scenario where jobs would be replaced by automation in the 'core' Hospitality and Tourism segments, such as '*hotels & related*', and '*restaurants, pubs & related*'. For example, as mentioned above, technology may be able to aid efficiency, but it will not replace human beings providing the 'experience'. Segments where these were considered to potentially have a greater impact, with the advent of artificial intelligence (AI) and autonomous vehicles, were travel agency and passenger transport. For example, where the use of AI could help integrate booking and travel systems, and where autonomous vehicles could replace some jobs in the '*passenger transport*' segment.

- **Social skills**. As customer experiences are becoming more and more important, it is necessary to attract talent with the right skills, for instance being friendly and relatable.

- **Foreign language skills**. A number of stakeholders expressed worry around being able to source staff with the right language skills, given EU Exit. This therefore also becomes a skill that businesses are almost certain they will need over the near and longer-term future.

[45] *Thomas Baum (2015), 'Human resources in tourism: Still waiting for change? – A 2015 reprise'.*

- **Management skills.** Some stakeholders mentioned that management skills were a key area of weakness in the UK. For instance, as mentioned previously, it is not uncommon across the Hospitality and Tourism sector to move up the career ladder and end up in a managerial role, without prior management experience. Some initiatives and training programmes are already seeking to alleviate these issues. For example, New Anglia LEP funded an Emerging Leaders programme, which provided management training for businesses in the region. 25% of participants came from the visitor economy.

Source: Economic Insight in-depth interviews.

7. Literature review and in-depth interviews

This section summarises the findings from both the in-depth interviews and the literature reviewed. The purpose of both the review and the interviews was to better understand the drivers and barriers to skills development in the Hospitality and Tourism sector; the future skills requirements in the sector; and the issues of: (i) low pay environment in the sector; and (ii) helping to attract and retain skilled workers.

7.1 Background and objectives

The overarching objective of the literature review is to (i) map out the Hospitality and Tourism sector workforce and skills landscape, as well as (ii) to understand any barriers to skills development. The key focus of the evidence review and interviews summarised below, aim to answer the following key research questions.

- What are the drivers and barriers of employee skills development in the Hospitality and Tourism sector?
- What factors cause the current low pay environment in parts of the sector and what impact does it have?
- What are the employee career development opportunities?
- What factors help to attract and retain skilled workers?
- Are there new skills and attributes needed by the workforce in the next 5-10 years?

7.1.1 Literature review

In total 44 papers were reviewed. The table below illustrates the geographies and sectors covered.

Table 47: Overview of reviewed papers

	Number of papers reviewed
Regions	
UK	27
US	4
Global	3
Australia	2
EU	2
Scotland	1
Singapore	1
China	1
Ireland	1
Yorkshire	1
Korea	1
Sectors	
Hospitality	10
Tourism	8
Travel and tourism	8
Hospitality and tourism	7
All	6
Travel	3
Retail	1
Cyber security	1

Source: Economic Insight.

7.1.2 In-depth interviews

In total 10 in-depth interviews were conducted, with the following organisations:

- **Association of Employment and Learning Providers (AELP)**. The AELP is a national membership organisation that represents the interests of over 900+ organisations. Its members deliver the majority of Britain's apprenticeships, traineeships and programmes for the unemployed.
- **Association of Leading Visitor Attractions (ALVA)**. ALVA's members are the UK's most popular, iconic and important museums, galleries, palaces, castles, cathedrals, zoos, historic houses, heritage sites, gardens and leisure attractions. They comprise over 2,200 tourist sites, hosting over 119 million domestic and overseas visitors each year. ALVA provide training, benchmarking and advocacy initiatives to assist their members continually improve the visitor experience.
- **British Beer and Pub Association (BBPA).** The BBPA is the drinks and hospitality industry's largest and most influential trade association, representing ca. 90% of UK brewing and the ownership of around 20,000 of the nation's pubs. They are a diverse group and include international companies, family brewers, managed locals and the nation's largest tenanted pub estates.
- **Department for Education**. The Department for Education is a department of Her Majesty's Government, responsible for child protection, education, apprenticeships and wider skills in England.
- **New Anglia Local Enterprise Partnership (LEP)**. New Anglia LEP works with businesses, local authority partners and education institutions to drive growth and enterprise in Norfolk and Suffolk. They are transforming the economy by securing funds from Government to help businesses grow, through the delivery of ambitious programmes to ensure that businesses have the funding, support, skills, and infrastructure needed to flourish and ensuring that the voice of the business community is heard, loud and clear.
- **People 1st International**. People 1st International is an employer-led skills and quality assurance expert. They develop and quality assure industry relevant skills solutions in the UK and internationally across apprenticeships, work-based learning and technical vocational education, as well as providing an consultancy service internationally to support countries in developing sustainable skills models.
- **Pizza Express**. Pizza Express is a casual dining business operating in twelve countries, with their predominant market being the UK and the Republic of Ireland, with 470 restaurants across both. They have 11,000 team members across the UK and Republic of Ireland and are a large employer in the Hospitality and Tourism sector.
- **UKHospitality**. UKHospitality is the powerful voice representing the broad hospitality sector – covering everything from bars, coffee shops, contract catering, hotels, nightclubs, visitor attractions and other leisure venues. They seek to unlock the industry's full potential as one of the biggest engines for growth in the economy and to ensure that the industry's needs are effectively represented by engaging with Government, the media, employees and customers. Representing more than 700 companies in a sector that employs 2.9 million people,

UKHospitality speaks for a sector that represents 10% of UK employment, 6% of businesses and 5% of GDP.

- **Warner Bros.** Warner Bros. Studios Tour London – The Making of Harry Potter is a public attraction in Leavesden in southeastern England. Not to be confused with The Wizarding World of Harry Potter of Universal Studios theme parks, it is a permanent exhibit offering an authentic behind the scenes glimpse of the Harry Potter films.
- **WRIGHT.** WRIGHT works with agencies and corporates to deliver strategic, operational and business development projects across all event disciplines. They also lead the Events Industry Board's Talent Taskforce and the Event Management Apprenticeship Programme.

7.1.3 Key findings

The Hospitality and Tourism sector workforce has distinct characteristics

The sector as a whole has some distinct characteristics which are summarised as follows.

- **Low pay:** Across the UK and the EU those working in Hospitality and Tourism are earning on average less than those in other sectors. Oxford Economics (2015) estimates that in the UK, weekly pay in the sector is half of the average in other sectors.
- **Young workers:** In the UK ONS (2014) reports 26.4% of the tourism workforce is 16-24, compared to only 10.50% in non-tourism industries.
- **Unsociable hours:** weekend work is very common in the sector, over 40% of employees in the sector report working on weekends, compared to 31% in non-tourism industries (ONS, 2014).
- **Part-time:** the work is often performed on a part-time basis, for example ONS (2014) reports 41% of Hospitality and Tourism jobs are part-time.
- **Unstable:** jobs can be significantly less stable than in other sectors, temporary contracts are common, and the work is inherently seasonal. For example, in the UK ONS (2014) finds that 10% of tourism workers are on 'temporary' contracts, compared with only 6% of temporary jobs in non-tourism industries.
- **High female employment:** Across the UK and EU more women are employed in the sector than in others. However, this is not always uniform across occupational levels, for example women are underrepresented in management and leadership roles (People 1st, 2016).
- **Entry Level:** Eurostat (2015) reports that the tourism industry is easier to enter than others and the House of Commons Committee on Exiting the EU (2017) estimate the sector provides 1.5mn entry level jobs across the UK.
- **High Turnover:** annual staff retention level in the industry is 70%, under the UK average of 85% (UKHA, 2018)

Insights from the in-depth interviews

During the in-depth interviews, some stakeholders also mentioned these characteristics, in particular, they discussed that the Hospitality and Tourism sector was generally seen as 'low pay' for the following reasons:

- **Seasonality:** Some of the key Hospitality and Tourism segments are seasonal (e.g. summer and Christmas), and in order to fill some / all of these seasonal roles employers rely on student labour. As such, they will be able to provide them with lower wages than full-time non-seasonal employees, for instance.
- **Affordability:** Not all employers may be able to afford higher salaries.

The sector is growing - and changing

The literature overwhelmingly presents that the sector as a whole is growing in the UK. As such, it is important to understand the composition of this growth, as this will impact the sector's workforce needs.

Notably, the subsectors most mentioned as the key drivers of the overall sector growth are accommodation, and food and drink. It is in these sectors where the jobs will be increasingly focused in the future. This will increase the demand for specific staff including waiters, waitresses and chefs. Oxford Economics (2015) estimate that half of the jobs created in the sector between 2010 and 2014 were in restaurants and cafes; meanwhile they report a decline in the number of jobs in catering, pubs, bars, and clubs.

People 1st (2016) estimate that the sector will need to recruit an additional 1.3m more staff by the end of 2024; three-quarters of this will be to replace existing staff (reflecting high levels of staff turnover) and the remainder reflects the continuing sector growth. Of the new roles, half will be in elementary occupations (e.g. waiting and bar staff). The sector already faces a recruitment gap: with a quarter of Hospitality and Tourism businesses having vacancies of which 38% are considered hard-to-fill (People 1st 2017). The outlined sector growth combined with the falling unemployment in the UK as a whole are likely to lead to a significant widening in the recruitment gap.

The impact of technology on the workforce

There is limited scope for the recruitment gap to be filled by automation due to the nature of the work and the strong customer demand for human interaction in the sector. Technology is, however, changing the nature of the work: (i) there is an increased need for employees across subsectors to have basic IT and digital skills (Skills Development Scotland, 2016); (ii) 48% of Hospitality and Tourism workers in the EU report the technology they use in the job changing over the last five years (Eurostat 2015); and (iii) one report (Baum 2002) claims that technology has increased standardisation in the sector and has led to a 'dumbing down' of the skills needed in many roles. An example may be seen in the role of chefs, People 1st (2017) report there are now two key job types with distinct training and career pathways: traditional chefs and production chefs (which work with pre-prepared food).

The impact of EU exit on the workforce

People 1st (2017) estimate that 24% of the Hospitality and Tourism sector workforce is from the EU. Further KPMG (2017) assert that in a scenario where no new migration from the EU occurs after 2019 there will be a recruitment shortfall in the sector of 60k workers per annum; and by 2029 the sector could face a gap of 1 million workers. In a survey of Hospitality and Tourism establishments, 74% asserted that 'Brexit' will influence their recruitment decisions (Ferris et al, 2018). EU workers tend to work in the lower level occupations, with less than 1% of the EU workers in the sector holding 'higher managerial and professional positions' in the sector. London, the South West, the East of England and the West Midlands are most dependent on EU workers.

Insights from the in-depth interviews

Multiple stakeholders expressed their concerns around EU Exit and the repercussions this will have on the existing workforce. In particular, the following issues were raised:

- As the **UK is at almost full employment**, there are concerns that if there are restrictions around labour from the EU (or outside the EU) entering the labour market, this will have a negative impact on some key UK Hospitality and Tourism sectors.
- Some interviewees identified the **poor ability of UK citizens to speak foreign languages**. There is a concern that it will become cumbersome to recruit front-of-house staff with multiple language capabilities. This is a pertinent issue across most Hospitality and Tourism segments, as by definition staff are interacting with tourists from various countries.
- Some interviewees further expressed the **need to 'pull-in' the 'native' workforce** to undertake some jobs that are mostly filled by EU or non-EU workers.

Drivers of skills gaps in the sector identified in the literature

- **Poor perception of industry**. There is a perception (and to a large extent a reality) of low pay, high staff turnover, long hours, and seasonality in the sector and this consequently creates a barrier to recruiting new entrants. There is some evidence demonstrating that work experience can put people off working in the sector, and further reports that both college and university graduates are leaving the sector within two years (Skills Development Scotland 2016; and Baum 2002).
- **High labour turnover** is mentioned by both KPMG (2017) and People 1st (2016).
- **Changing skills demands.** There is a reported widening in the skills base needed by employees across subsectors, e.g. in Scotland the need for a range of digital skills is becoming more important (Skills Development Scotland, 2016). Digital skills are increasingly important in both getting a job and performing the job well: e.g. 85% of travel bookings in the UK are done online (Tourism Sector Deal, 2017); and recruitment increasingly done online and using social media (Ladkin and Buhalis, 2016).
- **Possible limitations in current training provisions.** For example, in Scotland employers report that apprenticeships are qualifying people to level 2 when the demand is for those qualified to level 3 or 4 (Skills Development Scotland, 2016).
- **Chef vacancies are frequently mentioned as hard to fill vacancies.** People 1st (2017) report that the skills gaps specific to chefs is causing establishments to either scale down expansion plans and or hire under-skilled chefs.

- **The literature reports a comprehensive offering of training provision in the sector** which includes a mix of apprenticeships, college programmes, university training and on the job training (Skills Development Scotland, 2016)– but the reported skills gap indicates that there is a shortfall in some part of the offering. Skills Development Scotland (2016) reports the breakdown may be caused by employer confusion over the broad offering.

Insights from the in-depth interviews

The in-depth interviews confirmed the above points, in that most of the Hospitality and Tourism workforce job types are labour-intensive roles, which require great people skills and engagement with customers. All segments have their slight nuances and differences, for example:

- In the sport & recreation sector, which includes visitor attractions; there can be a wide variety of job types, from front-of-house staff, customer experience staff, to zoologists, horticulturalists and more academic positions. Entry requirements and career paths for those different roles will differ – with some requiring no academic qualifications or previous experience, to others which require academic qualifications.
- Similarly, for restaurants, pubs & related, front-of-house and back-of-house roles were mentioned as being of greatest importance, with managerial roles only making up a fraction of the workforce. Here again, an emphasis was made around the workforce needing the rights behaviours and attitudes to provide customers with a great experience, rather than needing any formal qualifications.

In relation to how changes affect the different segments, one of the responses of the pub sector to the smoking ban was to start offering a more services – including accommodation and an increased food offer. In addition, the changing pub landscape means a **multi-skilled workforce is required -** as the characteristics required to run a pub are very varied - and range from the need to be entrepreneurial; be able to budget; plan stock; be customer facing; and engage with clients etc.

Aligned to the literature, in terms of how technological change affects the workforce, one respondent considered that regardless of technological improvements, **Hospitality and Tourism would remain a people business**. Whilst robotics and other technological developments may influence the 'behind the scenes' operations, the stakeholders generally considered that this could only go "so far".

Skills requirements – findings from the in-depth interviews

The in-depth interviews also touched upon whether there were job types / regions that Hospitality and Tourism sector members found difficult to recruit for.

- In the sport & recreation segment, there were considered to be distinct role types, one more difficult to recruit for, whereas the other slightly easier / even being oversubscribed. For example, in the museums sub-sector it was considered that there was a steady stream of applications for curatorial roles, whereas it was more difficult to recruit front-of-house staff with the right skill-set.
- In the restaurant, pub & related segment, one respondent considered that it was more difficult to recruit for back-of-house roles, compared to managerial roles. This chimes with the above.

They also considered that rather than having one region that was difficult to recruit for, it was more dependent on how affluent the different areas are, and that it was more difficult to recruit for back-of-house positions in more affluent areas.

Stakeholders generally found it quite difficult to predict future skills requirements over such a long timescale. However, key themes that were raised included:

- **Ageing population**. Several stakeholders mentioned that an ageing population, resulting in people having more diverse careers throughout their different life stages, could be both an opportunity and a threat. For Hospitality and Tourism in particular, as interviewees considered it was often perceived as 'a job before a real job', this helped explain why there was such a high proportion of young people employed in the sector, but it also indicated the potential 'untapped' supply of older workers.
- **Generation Z.** Another important factor to take into consideration is the range of different demands from younger generations in terms of how to attract them to roles in Hospitality and Tourism. It was mentioned that a lot of characteristics of work in Hospitality and Tourism fit quite well with the general outlook of that demographic, e.g. producing something immediate, gaining recognition, not 9-5, etc. However, a lot of aspects of work in the sector were also potentially less appealing to that demographic.
- **Digital skills.** Stakeholders mentioned these types of skills would become more important at all levels. Although they would become more important, interviewees struggled to conceive of a scenario where jobs would be replaced by automation in the 'core' Hospitality and Tourism segments, such as 'hotels & related', and 'restaurants & related'. For example, as mentioned above, technology may be able to aid efficiency, but it will not replace human beings providing the 'experience'. Segments where these were considered to potentially have a greater impact, with the advent of artificial intelligence (AI) and autonomous vehicles, were travel agency and passenger transport. For example, where the use of AI could help integrate booking and travel systems, and where autonomous vehicles could replace some jobs in the 'passenger transport' segment.
- **Social skills.** As customer experiences are becoming more and more important, it is necessary to attract talent with the right skills, for instance being friendly and relatable.
- **Foreign language skills.** A number of stakeholders expressed worry around being able to source staff with the right language skills, given EU Exit. This therefore also becomes a skill that businesses are almost certain they will need over the near and longer-term future.
- **Management skills.** Some stakeholders mentioned that management skills were a key area of weakness in the UK. For instance, as mentioned previously, it is not uncommon across the Hospitality and Tourism sector to move up the career ladder and end up in a managerial role, without prior management experience. Some initiatives and training programmes are already seeking to alleviate these issues. For example, New Anglia LEP funded an Emerging Leaders programme, which provided management training for businesses in the region. 25% of participants came from the visitor economy.

Recommendations in the literature

Sector specific recommendations:

In order to tackle the current skills shortage and prepare for the projected changes to the sector the literature makes the following recommendations.

- **Support skills development.** Through employment programmes such as apprenticeships and graduate schemes. Whilst there is currently a plethora of training opportunities more work is needed to both increase access to training and increase the retention of the newly trained (Skills Development Scotland, 2016; KPMG, 2017).
- **Raise attractiveness of sector.** This could be done via three dimensions (i) increase the pay and rewards package; (ii) increase permanent contracts; and (iii) increase flexibility for employees. It is likely a combination of the three is needed, given the strong negative perception held by the sector (KPMG 2017).
- **Create and raise awareness of career pathways.** Entry level jobs in Hospitality and Tourism should have career pathways with small identified steps to motivate workers, alongside meaningful discussion of promotion opportunities. This should aid in unlocking the potential of existing staff and increasing retention (John Lewis Partnerships 2014).
- **Unlock potential of specific groups.** There are a number of specific groups that could be brought into / supported to higher jobs in the Hospitality and Tourism workforce, such as, for example, providing more opportunities for disabled people or women (Kalargyrou and Volis, 2014). Increasing the number of roles for such groups may have the dual benefit of increasing the perception on the sector more generally.

Labour market specific recommendations made by the reviewed literature.

Some of the literature reviewed assesses the UK labour market as a whole and makes recommendations for potential improvements. Three dimensions often mentioned in the literature are particularly relevant given the characteristics of the Hospitality and Tourism workforce, the relevant recommendations are summarised below.

- **Low pay:** Many of those employed in the sector are on 'low pay' (Oxford Economics, 2015) and reports show that employees are increasingly likely to be stuck on low pay with increasing age; or if they are female or based outside of London. Specific initiatives are needed by those more likely to be 'stuck' on low pay (John Lewis Partnerships 2014).
- **Part-time:** Many employees on part-time contracts place a high value on the flexibility of their role, they believe that promotions would lead to a dramatic decrease in this flexibility and are avoiding such promotions. Part-time specific career pathways could unlock the potential of these workers (John Lewis Partnerships, 2014; BRC, 2016)
- **Young people:** The Youth Census Report (Youth Employment UK 2018) finds that young people want to see an increase in the level of personalised and specific career advice; additionally, young women report low levels of advice regarding apprenticeships. Interventions should be aligned to these reported needs.

Learnings from retail

In the retail sector, which shares many characteristics with the Tourism and Hospitality sector (e.g. part-time and low pay), employees report valuing locality and flexibility above pay. Additionally, surveys have found age groups have specific needs, e.g. younger employees (16-24) have a strong preference for cash rewards as an additional benefit; and are more likely to see returns from training. Across the retail sector many employees reported seeing the limited increases in pay associated with a promotion as not worth the relatively large increase in workload and responsibilities (BRC 2016).

7.1.4 'Undergraduate Tourism and Hospitality Students Attitudes Toward a Career in the Industry: A Preliminary Investigation', Scott Richardson, 2008.[46]

	Description
Sector	Tourism and Hospitality
Job type	Undergraduates studying tourism/hotel management (77%); or event/hospitality/travel management (23%), most of whom had work experience in the industry.
Geography	Australia
Area of work analysed	What factors help to attract and retain skilled workers?; (undergraduate) attitudes
Key findings	Overall the survey results suggested that whilst students enjoyed working in the industry, there are other factors related to the work that was leaving them with a negative perception of working in the industry. Work experience had led to many (46%) deciding to pursue a career in another sector (60.5%). Common perceptions / experiences were that: – the working hours are too long (52%); – the hours are unsuitable to lead a 'normal' life (49%), and – that family life is negatively affected by the unusual hours worked (45%). Many respondents (37.2%) also feel that finding stable employment in the industry is difficult due to the influence seasonality has on employment. Additionally, many respondents (52%) thought pay was low, especially given the long and unsociable nature of the hours. Promotion opportunities were seen as limited and were available where not seen to be handled in a 'fair and equitable manner'. Finally, many reported poor relationship with their managers, who respondents considered did not put great effort into making sure their staff were satisfied.

[46] *https://www.tandfonline.com/doi/abs/10.1080/15313220802410112*

7.1.5 'Skills and workforce profile: Travel', People 1st, 2016.[47]

	Description
Sector	Travel (travel agencies and tour operators)
Job type	All in sector
Geography	UK
Area of work analysed	Are there new skills and attributes needed by the workforce in the next 5-10 years?
Key findings	"*Projections suggest that the travel industry will need to recruit an additional 53,138 by the end of 2024, which we believe to be an overestimate as it assumes replacement demand to be 75%, which would be higher than traditional labour turnover in the travel industry*." There has been a contraction in the work force as the industry has moved away from the Highstreet towards online bookings. As such there are few reported vacancies, interestingly a high reported skills shortage as the changing nature of the industry demands a broader range of skills (i.e. both IT and customer service skills). However, as retention is high in the sector, the report believes that staff have the time to develop the necessary skills and become fully competent.

7.1.6 'Skills Investment Plan For Scotland's tourism sector', 2nd edition, Skills Development Scotland, 2016. [48]

	Description
Sector	Tourism (hotels; restaurants; pubs/clubs; and other including tour operators and museums)
Job type	All relevant.
Geography	Scotland
Area of work analysed	Are there new skills and attributes needed by the workforce in the next 5-10 years?; What are the drivers and barriers of employee skills development in the Hospitality and Tourism sector?
Key findings	**Future work force (2012-2022):** Accommodation and food sector will see a 5% increase, with the number of manager, director and senior official roles increasing alongside a

[47] *http://www.people1st.co.uk/getattachment/Insight-opinion/Latest-insights/Industry-profiles/Hospitality-tourism-skills-and-workforce-profile-2016.pdf/?lang=en-GB*
[48] *https://www.skillsdevelopmentscotland.co.uk/media/42345/tourism-digital-skills-investment-plan.pdf*

	simultaneous decline in skilled trade positions (e.g. chefs). This will impact the skills/qualifications demanded in the sector – that is they predict the share of the workforce with level 7-10 qualifications will increase. "*The sector will need to recruit 32,700 people into elementary occupations, 15,700 into managers, directors and senior official roles and 9,600 into skilled trades.*" **Industry feedback on skills issues:** Many college/university graduates are leaving the sector within two years. Concerns were also raised regarding apprenticeships which focus on delivering Level 2 Qualifications and not 3 or 4. Recruitment difficulties: mainly chefs, but also housekeeping, project management, front of house and sales skills. Generally, industry feedback mentioned the need to have multiple skill sets. The need for a range of digital skills is becoming more important and should be prioritised, along with management and leadership, with a continuing focus on the skills needed to ensure high quality customer experience. **Raising the attractiveness to new entrants:** There is a perception (and to some extent a reality) of low pay, high staff turnover, long hours, and seasonality creating barrier to new entrants. There is a need to change both the reality and perception of this, through e.g. school visits and appropriate training. **Current training provision:** The report identifies no clear gaps in the current provision which is made up of: apprenticeships, college training, university training, and on the job training. It is possible that employers are confused by complex and wide offering, as such engagement can be low from them. **Key challenges and priorities:** The report identifies the following key priorities: – improving management, leadership and enterprise skills across the sector; – supporting the development of professional and digital skills for all in the sector; – ensuring staff at all levels understand and are able to respond to visitor needs and expectations; – raising the attractiveness of the sector; and – while there are more women working in the sector overall, they are underrepresented in management and leadership roles.

7.1.7 'Skills and training for the hospitality sector: a review of issues', Tom Baum, 2002.[49]

	Description
Sector	Hospitality
Job type	All (managerial to operative)
Geography	UK
Area of work analysed	What are the drivers and barriers of employee skills development in the Hospitality and Tourism sector?
Key findings	Skills change: 'McDonaldisation' standardisation and technological substitution may have 'dumbed' down the skills needed in the sector. Evidence shows dumbing down may have been the case in the form of a growing fast food sector; within budget accommodation, and through the growth of no-frills airlines. The study discusses that whilst the growth of such sectors may have 'dumbed down' the average skill level in the sector globally; it cannot be argued that they have eliminated demand for higher order skills within other sectors of the industry. The study claims that there have been changes to the type of work in the sector, for example there is an increasing need to be 'multi-skilled'. "Skills shortages in hospitality are increasingly seen in terms of generic rather than specific technical competencies. Studies of employer expectations of graduates note demand for communications, people management and problem solving, as the priority in both the US and Europe." There is an increasing need for traditionally 'technical' roles to have generic skills (e.g. IT and communication).
Other	Emphasis on the diverse nature of hospitality work (along both the vertical and horizontal). Horizontally the paper claims there is little unique about the skills needed to work in hospitality, and in fact "most of the skills that are employed within the sector also have relevance and application in other sectors of the economy". Claims Ireland invested in tourism skills (e.g. tourism colleges) which ultimately unlocked a skilled workforce and led to a boom in the sector as a whole.

[49] https://www.tandfonline.com/doi/abs/10.1080/13636820200200204

7.1.8 'Retail 2020 report 2: what our people think', BRC, 2016.[50]

	Description
Sector	Retail
Job type	All
Geography	UK
Area of work analysed	What factors help to attract and retain skilled workers?
Key findings	Key attractiveness of sector is not pay: 1st locality, and 2nd flexibility (pay was 6th). Each age group has specific needs, motivations and attitudes. Ambitions decline with age, (and among students who consider themselves 'passing through'). Those aged 16-25 are keen to progress their careers and are most likely to benefit from additional training. **Trade-offs / frictions:** Location vs a better paid job: the ability to work near where they live is seen as important across all age groups and segments. The importance of location increases with age. As the industry changes there will be fewer local jobs and those most reliant on jobs close to home may struggle to find an alternative. Two key subgroups of part-time workers: those who want more hours to earn more; and those who value the flexibility and worry this will go with potential promotions. There is a (perceived) friction between pay and flexibility, removing this may unlock potential of some workers. Perks: Different age groups have specific preference regarding cash and employer benefits. Younger groups tend to have a preference for cash over benefits. Ambitions: 44% believe it's not worth getting promoted as the work load increases significantly for only a marginal pay increase. There is scope to personalise the offering to retail workers (e.g. more hours or increased flexibility; different incentive packages) this could increase motivations and unlock potential.
Other	They find that within retail low pay does not equate to poverty; additionally, they find the middle aged are the most vulnerable in the sector to sectoral changes (i.e. rise of online shopping/decline of Highstreet)

[50] *https://brc.org.uk/media/57614/retail-2020-report-2.pdf*

7.1.9 'Perceptions of the tourism and hospitality industry by Singapore polytechnic hospitality students: An exploratory study', Justin Pang, 2010.[51]

	Description
Sector	Tourism
Job type	All
Geography	Singapore
Area of work analysed	What factors help to attract and retain skilled workers?
Key findings	Very specific to the nature of education and the tourism industry in Singapore. Traditionally education and training provision has not focused on tourism in the country, the government sought to change this in the 2000s and increased expenditure on tourism education. However, locals still perceive the work itself negatively. They believe the work to be low status, low pay, stressful and with long / variable hours. The industry itself is characterised by foreign employees and a 6-day working week.

7.1.10 'Pay progression: Understanding the barriers for the lowest paid', John Lewis Partnerships, Policy Report, 2014.[52]

	Description
Sector	All
Job type	Low pay
Geography	UK
Area of work analysed	What factors cause the current low pay environment in parts of the sector and what impact does it have?
Key findings	Those on low pay are increasingly likely to be 'stuck' on low pay if they are older, female or outside London. Frictions between promotions and reduced flexibility may trap some in lower positions (and consequently lower pay). There may be untapped potential in part-time workers, which could be unlocked by increasing responsibility without reducing flexibility; or progression paths for part-time workers.

[51] *https://digitalscholarship.unlv.edu/cgi/viewcontent.cgi?article=1701&context=thesesdissertations*
[52] *https://www.cipd.co.uk/Images/pay-progression_2014-understanding-the-barriers-for-the-lowest-paid_tcm18-10970.pdf*

	The report suggests that entry level jobs in retail care and hospitality should have career pathways which clearly identify small steps that can be taken to increase pay. Additionally, part-time workers should have similar but separate pathways. It is easier for those on low pay to increase their pay by moving jobs than via promotion. Meaningful discussion of promotion opportunities with those on low pay may increase retention.

7.1.11 'Skills and workforce profile: Hospitality and tourism', People 1st, 2016.[53]

	Description
Sector	Hospitality and tourism
Job type	All
Geography	UK
Area of work analysed	What factors help to attract and retain skilled workers?; Are there new skills and attributes needed by the workforce in the next 5-10 years?
Key findings	The sector will need to recruit an additional 1.3m more staff by the end of 2024; 75% of this will be to replace existing staff (reflecting high levels of staff turnover) and the remainder reflects the continuing sector growth. Of the new roles, 49% will be in elementary occupations (e.g. waiting and bar staff). There are a high number of vacancies, again reflecting the high turnover. Falling unemployment is making it increasingly hard to fill these vacancies. Skills shortages exist across the sector, in particular chefs. The skills gaps is largely in terms of interpersonal skills, e.g. 66% are time management, 61% are customer handling. Women make up the majority of the workforce (51%), although far fewer are represented at senior levels. This presents an opportunity to help female progression and address the demand for managers.
Other	Nearly half the workforce is under 29.

[53] *http://www.people1st.co.uk/getattachment/Insight-opinion/Latest-insights/Industry-profiles/Hospitality-tourism-skills-and-workforce-profile-2016.pdf/?lang=en-GB*

7.1.12 'The economic contribution of the UK hospitality industry', UK Hospitality, prepared by Ignite Economics, 2018.[54]

	Description
Sector	Hospitality
Job type	n/a
Geography	UK
Area of work analysed	Are there new skills and attributes needed by the workforce in the next 5-10 years?
Key findings	Forecasts employment growth in the sector to 2022 under different scenarios – Bull scenario: 10% growth – Bear scenario: declines by 10% The hospitality industry has one of the lowest levels of labour productivity in the economy. However, since the economic downturn, it has returned one of the highest levels of labour productivity growth of any industry. The '*hotels & catering'* sector has the second lowest GVA per hour worked (out of the 17 sectors used by ONS to split up the UK's economy), due to the labour-intensive nature of the industry. The restaurant sub-sector has the second lowest labour productivity of the hospitality industry, behind amusement / recreational activities. They also note this is partially driven by part-time workers.

7.1.13 'Skills and work in the hospitality sector: The case of hotel front office employees in China', Kong Hai-yan and Tom Baum, 2006.[55]

	Description
Sector	Hotels (Front of House)
Job type	Range: management and supervisory level, senior staff members, junior staff and trainees
Geography	Beijing, Tianjin, Shanghai, Jinan, Qingdao and Weihai
Area of work analysed	What factors help to attract and retain skilled workers?

[54] *https://www.ukhospitality.org.uk/page/EconomicContributionoftheUKHospitalityIndustry2018*
[55] *https://www.emeraldinsight.com/doi/abs/10.1108/09596110610681548*

Key findings	Staff were predominantly graduates of tourism colleges or professional schools. Working front of house is characterised by demanding work, low wages and uncertain opportunities for promotion. Many employees are unsure about their 'next steps' and promotion opportunities in their current role. As the tourism industry expands there is a greater need to attract personnel with a range of language, communications, emotional and generic skills.

7.1.14 'The chef shortage: A solvable crisis? Understanding why we have a chef shortage and how it can be addressed', People 1st, 2017. [56]

	Description
Sector	Hospitality
Job type	Chefs
Geography	UK
Area of work analysed	What are the drivers and barriers of employee skills development in the Hospitality and Tourism sector?
Key findings	Some businesses are reported to have scaled down growth plans due to the shortage in chefs. There is risk of a spiral, unfilled vacancies lead to longer hours and consequently a higher turnover. Using results from ESS they show there is a skills shortage not labour shortage. Causes of the shortage are outlined below. 1. Increased demand: more restaurants and pubs are demanding chefs. 2. Changing nature: now two types of chef classical; and production (work with pre-prepared dishes). They have two distinct career pathways. 3. Shrinking labour pool: employment at a low level, shrinking young labour market where hospitality has traditionally found its labour. 4. Too few chef apprentices (estimate it needs to be around double) 5. Too few chef students entering and staying in the sector. Many are put off by the course itself or work experience. 6. Chefs are leaving the profession due to low pay, poor management, and long hours.

[56] *http://people1st.co.uk/getattachment/Insight-opinion/Latest-insights/21st-century-chef/Report-download/Exec-summary-_-The-chef-shortage-A-solvable-crisis.pdf/?lang=en-GB*

7.1.15 'Understanding the UK cyber security skills labour market: Research report for the Department for Digital, Culture, Media and Sport', 2018.[57]

	Description
Sector	Cyber security
Job type	All
Geography	UK
Area of work analysed	What are the drivers and barriers of employee skills development in the Hospitality and Tourism sector?
Key findings	Businesses need access to skilled cyber security workers; the most basic need is to be able to perform the requirements in the government endorsed cyber essentials scheme. Many companies report needing skills beyond this requirement. A key issue is employers themselves often do not understand the technical skills that would be required to manage their cyber security. The cyber skills labour is relatively immature, with many in the roles having no prior cyber security roles; and with companies having only small teams. **The skills gap:** More than half of companies are estimated as having a cyber security skills gap. This is across basic and high-level skills. A major issue as mentioned in stakeholder interviews was a gap in incident response, that is a large number of businesses are not confident they would be able to effectively deal with a breach. Outsourcing is the common solution to the skills gap, in many cases however the skills gap is so severe that companies often chose third party providers based on cost and not quality; many respondents noted not having the knowledge to effectively monito the performance of their chosen provider.

[57] *https://www.gov.uk/government/publications/cyber-security-skills-in-the-uk-labour-market*

7.1.16 'Hospitality & Tourism Educators vs. The Industry: A Competency Assessment', Michelle Millar, Zhenxing Mao & Patrick Moreo, 2010.[58]

	Description
Sector	Hospitality and tourism
Job type	Post HTE
Geography	US
Area of work analysed	What are the drivers and barriers of employee skills development in the Hospitality and Tourism sector?
Key findings	Hospitality and tourism education is traditionally divided into five sectors: food service, lodging management, recreation, travel related management, and convention and meetings management. The paper focuses on food service and lodging management. The report interviews both professionals and HTE educators in each sector to assess which skills each consider important in the industry. **Food and beverage:** faculty and industry professionals interviewed agreed on the administrative, conceptual, technical, and leadership domains. They disagreed on the importance of certain personal skills, professionals seemed to focus on the skills that would improve an individual; whereas the educators focused on the skills that help individuals work with others. **Lodging management:** Educators believed in the importance of specific technical skills (e.g. front desk operations); professionals on the other hand believed such technical skills could be learnt at property level and education should provide focus on improving more conceptual skills (e.g. problem solving, understanding situations, analysing). Both agreed that financial skills were important.

7.1.17 'Mapping evidence and trends in sustainable tourism', DEFRA, 2007.[59]

	Description
Sector	Tourism
Job type	n/a
Geography	UK
Area of work analysed	The sector's environmental effects.

[58] *https://www.tandfonline.com/action/showCitFormats?doi=10.1080%2F10963758.2010.10696975*
[59] *http://randd.defra.gov.uk/Document.aspx?Document=EV02026_6023_FRP.pdf*

Key findings	The UK's tourism sector accounted for £32.8bn of GVA in 2003, 3.4% of UK GVA and by 2005 directly sustained 1.4m jobs. Rapid growth in air travel has been a key driver of overall tourism volume growth for both inbound and outbound tourism. There are significant social and economic benefits delivered to communities by tourism; however, it can also bring congesting and competition for resources. **Environmental effects:** – Climate change: high – especially through air travel; – Resource use: high – especially through water use; many tourists see their vacation experience as a time to indulge. – Pollution and waste: increased waste in rural/ecologically fragile areas; some evidence that environmental awareness is growing amongst tourists. – Biodiversity: outdoor pursuits (from hiking to skiing) have mainly negative effects on biodiversity. The natural and built environment: the UK's tourists have a large effect abroad.

7.1.18 Youth Voice Census Report 2018, Youth Employment UK, 2018.[60]

	Description
Sector	All
Job type	Those aged 16-24
Geography	UK
Area of work analysed	What are the drivers and barriers of employee skills development in the Hospitality and Tourism sector?
Key findings	Young women were significantly less likely to have traineeships or apprenticeships discussed with them than young men. Young people across age groups and segments reported a need for more personalised information service, to support in their education/career decisions. Finance was seen as the biggest barrier to both apprenticeships and university pathways. **Apprenticeships:**

[60] *https://www.youthemployment.org.uk/dev/wp-content/themes/yeuk/youth-voice-census-report-oct-2018.pdf*

	Were most likely to be found through '*Find an Apprenticeship*'; the biggest motivation for doing an apprenticeship was earning and learning at the same time. **In work:** 52% agreed they were paid fairly for their work. 29% considered themselves over qualified. **Looking for work:** 29% chose not to engage with the job centre, with 21% believing the job centre would not be able to help them.

7.1.19 2016/7 Impact report, Movement to Work, 2017.[61]

	Description
Sector	All
Job type	Work placements (short term)
Geography	UK
Area of work analysed	What are the drivers and barriers of employee skills development in the Hospitality and Tourism sector?
Key findings	Case studies relevant to hospitality: Diageo's 'learning for life' programme which combines a placement with classroom learning which teaches industry specific knowledge (e.g. supply chains/breweries). 'Get into' programme offering placement at the Marriott in Mayfair, gives example of a girl whose placement turned into a job and how she now has ambitions to go to France in order to learn how to be a pastry chef.

7.1.20 'Tourism industries – employment", Eurostat - statistics explained, 2015.[62]

	Description
Sector	Tourism
Job type	All
Geography	EU
Area of work analysed	Workforce make-up

[61] *https://www.movementtowork.com/wp-content/uploads/2017/08/movementtowork_impactreport-1617.pdf*
[62] *https://ec.europa.eu/eurostat/statistics-explained/index.php/Tourism_industries_-_employment*

Key findings	The tourism industries employ 12 million people in the EU; the core tourism sector has seen a growth rate of 0.8% since 2008 indicating it is more resilient to economic crisis than other sectors. More women are employed in tourism than when compared to other service sectors. Tourism attracts a younger labour force; the industry is easier to enter than others (which implies tourism can be a gateway to jobs in other sectors). Jobs are less stable in tourism, with many more temporary contracts in the sector than in the economy on average. Air transport jobs are more stable than other tourism jobs. Additionally, across the EU jobs are highly seasonal. Regions with high tourist activity, on average have lower unemployment. 30 of the 40 regions with the highest tourism activities have employment levels higher than the national average Labour costs and earnings are lower in the tourism industries than in the total economy, especially in the accommodation sub-sector. This is not surprising given the young, and temporary nature of the workforce.

7.1.21 'Tourism employment summaries: Characteristics of tourism industries', ONS, 2014.[63]

	Description
Sector	Tourism
Job type	All
Geography	UK
Area of work analysed	Sector composition
Key findings	Between 2009 and 2014 tourism employment grew by 12%, more than non-tourism industry growth of 5%. Employment in passenger transport, travel agencies, and vehicle hire peaked in 2010 and has steadily decreased since 2014. The workforce is on the whole younger, 26% of tourism workers is 16-24, compared to only 11% in non-tourism industries.

[63] *https://www.ons.gov.uk/peoplepopulationandcommunity/leisureandtourism/articles/tourismemploymentsummaries/characteristicsoftourismindustries2014*

	Tourism workers in London are more likely to be qualified to degree level and above. The West Midlands and Northern Ireland have a higher percentage of workers with no qualifications. Generally, those working in tourism are more likely to work on the weekend. Half of those working in culture, sports, recreation and conference activities work on the weekend. Half of the part-time workers in the tourism industry reported not wanting a full-time job, compared with 70% across all sectors. Just over 20% stated not being able to find a full-time job. 30% of the tourism workforce reported being students. 10.43% of jobs in the tourism industry are temporary, compared with only 6.12% of temporary jobs in non-tourism industries. The primary reason for this is the casual nature of the work.

7.1.22 'Over-qualification and skills mismatch in the graduate labour market', CIPD, 2015.[64]

	Description
Sector	All
Job type	Graduate
Geography	UK (in European context)
Area of work analysed	Labour market entry
Key findings	HE expansion has been greater in the UK than in most of the rest of Europe. This has led to occupational filtering down – graduates entering jobs that were once done by their non-graduate mothers and fathers. It is possible the 'content' of the jobs has been upgraded so that although the title has not changed the jobs are more productive. Underutilisation in the UK is higher than in most of the EU. The report uses employee responses about influence or discretion as a proxy for skills required (measure in 1998, 2004, 2011). A number of occupations have seen upgrading, and that while graduates are more likely to be in higher skilled jobs when graduates and non-graduates are found in the same role, the graduate does not have some advantage over the non-graduate. **Hospitality and tourism related results:**

[64] *https://www.cipd.co.uk/Images/over-qualification-and-skills-mismatch-graduate-labour-market_tcm18-10231.pdf*

	Leisure and travel service occupations – seen a de-skilling which is affecting graduates and non-graduates. Managers in leisure and hospitality: A limited amount of upgrading for graduates compared to the past but not to the extent that being a graduate is important in comparison to other routes into the labour market.

7.1.23 'The economic contribution of the UK hospitality industry: A report prepared by Oxford Economics for the British Hospitality Association', Oxford Economics, 2015.[65]

	Description
Sector	Tourism
Job type	All
Geography	UK
Area of work analysed	Economic contribution of sector
Key findings	In 2014 direct employment in the UK hospitality industry stood at 2.9 million jobs and is shown to be a major contributor to the UK's private sector jobs recovery. Additionally, they found that the sectors growth outpaced all three of the 'scenarios' they had forecast in their previous reports. Benchmarks against the digital and creative industry (which has received tax credits and relief) – of the new jobs created in the UK economy 14% were created by digital and creative, whilst 17% were created in the Hospitality and Tourism industry. **Subsector analysis:** Over half of the jobs created between 2010 and 2014 were in restaurants and cafes. There was a decline in the jobs in event catering, pubs & bars, and clubs. Hospitality ranks as between the 4th and 6th largest industry across all regions. Average wage is £210 a week, half the average in the national economy. However, the creative and digital sector contributed more than double to growth - the hospitality sector contributed to only 6% of the GDP growth between 2010 and 2014. Investment in the industry was £5bn in 2014, which is around 1% of total investment. Such investment spending is estimated to have sustained 43,000 jobs in 2014 across industries such as construction,

[65] *http://www.bha.org.uk/wordpress/wp-content/uploads/2015/09/Economic-contribution-of-the-UK-hospitality-industry.pdf*

	furniture manufacturing, equipment manufacturing, and IT services.
Other	The total GVA contribution to GDP from the hospitality industry is estimated to have been £143 billion in 2014. For every £1mn spent creates another £1.5mn elsewhere in the economy.

7.1.24 'Alternative pathways into the labour market', CPID, 2016.[66]

	Description
Sector	All
Job type	Entry level
Geography	UK
Area of work analysed	Labour market entry
Key findings	Follows the 'Over-qualification and Skills Mismatch in the Graduate Labour Market, 2015'. Presents that many of the UK's graduates are doing jobs that were not so long ago done by non-graduates is uncontested. The repost asserts there are many occupations where, despite the work being highly skilled, non-graduates (especially apprenticeships) do work at least as skilled, if not more so, than their graduate counterparts; examples include managers in construction and manufacturing or marketing associate professionals. Hospitality and tourism related discussion is focused on waiters and waitresses: – Classifies the roles as elementary and only needing school level qualifications. – The graduate share has increased from 0.6% in 1979 to 12.9% in 2014.

[66] https://www.cipd.co.uk/Images/alternative-pathways-into-the-labour-market_2016_tcm18-15593.pdf

7.1.25 'Labour migration in the hospitality sector: A KPMG report for the British Hospitality Association', KPMG, 2017.[67]

	Description
Sector	Hospitality
Job type	EU employment
Geography	UK
Area of work analysed	EU employment in sector
Key findings	Estimates that between 12.3% and 23.7% of the Hospitality and Tourism workforce is from the EU. In a scenario where no new migration from the EU occurs after 2019 there will be a recruitment shortfall in the sector of 60k workers per annum, if this continues by 2029 the sector could face a gap of 1 million workers. There is some, albeit limited, scope to fill the gap with improved productivity and automation – however these gains are limited due to both the manual nature of the roles and the customer demand for human interaction. Those reliant on EU migrants are all hospitality subsectors in London; hotels; restaurants especially waiting staff, chefs and housekeeping staff. EU nationals tend to work in the lower level occupations; less than 1% of EU nationals in the sector hold 'higher managerial and professional' positions in the sector. The hospitality sector already has the highest share of vacancies in comparison to all other UK sectors, this is driven by: skills gaps; lack of interest to work in the sector; and high staff turnover. In order to become more attractive to potential employees, they make the following recommendations: – Employment programmes such as apprenticeships and graduate schemes. – Increased training (especially chefs). – Initiatives aimed at specific groups (e.g. long term unemployed). – Increased pay and/or reward package. – Increased flexibility. – Increased number of permanent contracts.

[67] *https://www.ukhospitality.org.uk/page/LabourMigration*

7.1.26 'Migrant workers in the Hospitality and Tourism sector and the potential impact of labour restrictions', People 1st, 2017. [68]

	Description
Sector	Hospitality and Tourism
Job type	EU employment
Geography	UK
Area of work analysed	EU employment in sector
Key findings	Across Hospitality and Tourism, 24% of the workforce is made up of non-British nationals, with the majority of these coming from outside of the EU (compared to retail where it is 15%). The sector has grown by 16% between 2011 and 2015, with the restaurant industry increasing by over 187,194 employees. This has had a particular impact on a number of roles, including chefs, which have increased by 50,256. Between 2014 and 2024, the Hospitality and Tourism sector need to recruit 1.3m staff. Currently, a quarter of Hospitality and Tourism businesses have vacancies of which 38% consider hard-to-fill. The most hard to fill positions are front of house (45%) and chefs (36%). London, the South West, South East, East of England and the West Midlands are more dependent on other EU nationals to make up their workforce where there is an acute shortage of appropriate applicants for roles.

7.1.27 'Tourism Sector Report', House of Commons Committee on Exiting the European Union, 2017.[69]

	Description
Sector	Tourism
Job type	All
Geography	UK
Area of work analysed	Economic contribution
Key findings	In 2015, direct tourism Gross Value Added (GVA) was worth £62.4 billion to the UK economy, 3.8 per

[68] *http://www.people1st.co.uk/getattachment/Research-Insight/Latest-insights/Migration-labour-restrictions/Migrant-workers-in-the-hospitality-and-tourism-sector-and-the-potential-impact-of-labour-restrictions.pdf/?lang=en-GB*

[69] *https://www.parliament.uk/documents/commons-committees/Exiting-the-European-Union/17-19/Sectoral%20Analyses/38-Tourism-Report.pdf*

	cent of UK GVA2 - a growth of 5.8 per cent on 2013. In 2013, direct tourism GVA was worth £59.0 billion to the UK economy. Of this, England was responsible for £50.4 billion, followed by Scotland (£5.2 billion), Wales (£2.8 billion), and Northern Ireland (£0.6 billion). The sector is predicted to grow at an annual rate of 3.8 per cent through to 2025. Tourism provides 1.5 million entry level jobs across the UK. EU workers are usually found in the comparatively lower skilled and semi-skilled parts of the industries, particularly roles in hotels, restaurants, hospitality and attractions.

7.1.28 'Insights into skill shortages and skill mismatch: Learning from Cedefop's European skills and jobs survey', Cedefop, 2018.[70]

	Description
Sector	All
Job type	All
Geography	EU
Area of work analysed	Employment survey
Key findings	**Tourism and Hospitality discussion in the report:** The survey shows that almost one third of workers in the hospitality and catering sector and a quarter in the transport sector have not experienced any change in the need to learn in their jobs since they were hired. 48% report a change in the technology used in their respective workplace.

[70] *http://www.cedefop.europa.eu/files/3075_en.pdf*

7.1.29 'Travel & Tourism: Economic Impact 2018 OECD', World Travel and Tourism Council, 2018.[71]

	Description
Sector	Travel and tourism
Job type	All
Geography	Global
Area of work analysed	Economic contribution
Key findings	The total contribution of Travel & Tourism to GDP was USD4,380.2bn (8.8% of GDP) in 2017, and is forecast to rise by 2.8% in 2018, and to rise by 2.3% pa to USD5,648.7bn (9.7% of GDP) in 2028. Employment directly and supported by the industry was 10.3% of jobs globally in 2017, this is expected to grow to 11.6% in 2028.

7.1.30 'Tourism sector deal: Informing the Long-Term Tourism Strategy for Britain', 2017.[72]

	Description
Sector	Travel and tourism
Job type	All
Geography	Tourism
Area of work analysed	Recommendations to address the skills gap
Key findings	Make suggestions in order to some of the broad workforce constraints on the industry **Grow the 'shoulder season'**, this is the period before and after the summer (during which the majority of tourism occurs in the UK, especially in rural areas). They suggest growing this through product development and attracting business, culture, sporting and conventions and other business events. **Digital Skills:** Tourism is increasingly marketed, sold and reviewed online. 85% of travel booking to the UK is done online. The majority of international travellers (61%) have shared photos of a holiday online, and 42% have done the same for video, making digital

[71] *https://www.wttc.org/-/media/files/reports/economic-impact-research/regions-2018/oecd2018.pdf*
[72] *https://www.visitbritain.org/sites/default/files/vb-corporate/Documents-Library/documents/industrial_strategy_-_sector_deal_bid_submission.pdf*

	connectivity vital to online tourism marketing campaigns. **Recommendations to reduce skills shortage:** put the industry in the vanguard of the roll-out of the new 'T' Level alternative to 'A' Levels (in England), reform the Apprentice Levy and facilitating the development of Degree Apprenticeships to build Hospitality Centres of Excellence to rival those in continental Europe. (e.g. The Edge Hotel School's intensive industry-focused two year degree in Hospitality Management)

7.1.31 'The status of women in the UK travel & tourism industry: An evaluation of the cruise and tour operator sectors', Petra Glover and Angela O'Reilly, 2016.[73]

	Description
Sector	Travel and tourism
Job type	Female employment
Geography	UK
Area of work analysed	Women in Travel and Tourism
Key findings	60% of employees in the industry are female, whilst they are underrepresented at executive level. Looks at twelve tour and cruise operators, to examine the representation of women on company boards. In 2005, an average 12% of the board members were women. In 2015 female representation has grown to an average of 26%, this is just above the proportion on FTSE boards (23.5%). In 2015, one company has more female than male board members (63% women), and two (16%) have no women on their board.

7.1.32 'Human resources in tourism: Still waiting for change? – A 2015 reprise', Thomas Baum, 2015.[74]

	Description
Sector	Travel and tourism
Job type	All
Geography	Global

[73] https://repository.uwl.ac.uk/id/eprint/2662/1/AWTE-report-2016-PDF.pdf
[74] https://www.sciencedirect.com/science/article/pii/S0261517715000370

Area of work analysed	Are there new skills and attributes needed by the workforce in the next 5-10 years?
Key findings	The paper aims to assess the impact of the external changes to human resources over the last 20 years. Changes to the nature of the industry have led to various outcome including an increased need for 'green' skills (from increased environmental awareness); social media skills, and various communication skills. **Technology:** Social media has both positive impacts (faster communications, virtual project teams) and negative outcomes (depersonalising aspects of HRM); Tripadvisor impacts customer employee relations. **Emergent forms of work:** volunteerism is becoming more common at events and in heritage and cultural attractions. **Rebalancing of power balance:** a combination of cheap mobile labour, 'over-education' of the school-leaving population, de-skilling technologies, a focus on cost cutting, higher unemployment created by collapse/contraction of other industries – have contribute to tipping the scales in favour of employers and, in particular, larger businesses.

7.1.33 'The Changing Face of hospitality', UK Hospitality Workforce Commission 2030 report, 2018.[75]

Sector	Travel and tourism
Job type	All
Geography	UK
Area of work analysed	What are the barriers to employee skills development in the Hospitality and Tourism sector?
Key findings	Claims the sector could create 200,000 new apprenticeships over the next five years, Retention rate: Annual staff retention level in the industry is 70%, under the UK average of 85% Recommendations – A cross-industry, national **campaign to eliminate negative perceptions** of hospitality careers (Whitbread argued for the need to highlight how the industry provides real career progression; for example, 1 in 4 of Whitbread's hotel

[75] https://www.youthemployment.org.uk/dev/wp-content/uploads/2018/09/UK-Hospitality-Workforce-Commission-2030.pdf

	managers were originally apprentices when they joined the company). – **Comprehensive careers information and access to work experience programmes** that demonstrate what the sector has to offer, and what a career in hospitality would be like in practice. – Adapt schools outreach to enable direct **dialogue between hospitality businesses and students**. – The hospitality industry must champion its employees, investing in lifelong learning and celebrating the sector's existing good practice when it comes to training. – Government industrial strategy should acknowledge soft skills alongside technical. – Assess the effectiveness of the apprenticeships levy. – Immigration policy should address Hospitality needs

7.1.34 'Mass customerisation: next generation mass customisation for tourism', Sindhu R. Babu, 2014.[76]

	Description
Sector	Travel and tourism
Job type	All
Geography	International
Area of work analysed	Keeping up with customer demands
Key findings	Tourism has shifted from a "seller's" market to a "buyer's" market. This means that more customisation and diversification of products are required, according to customer's wants – 'customerisation'. Increased use of technology, e.g. in online booking systems, can help facilitate customerisation. Customerisation gives tourism providers a competitive advantage by being a low-cost way of improving customer experience. It also can lead to increased participation by consumers.

[76] *https://www.researchgate.net/profile/Sindhu_Babu/publication/235752506_Mass_customizing_the_tourism_sector_in_Kerala/links/5ae6df16aca272ba50821989/Mass-customizing-the-tourism-sector-in-Kerala.pdf*

7.1.35 'Working on the Edge: remediation work in the UK travel sector', Kirstie Ball, Ana Canhoto, Elizabeth Daniel, Sally Dibb, Maureen Meadows and Keith Spiller, 2014.[77]

	Description
Sector	Travel and tourism
Job type	Retail travel workers
Geography	UK
Area of work analysed	Remediation work arising from national security
Key findings	The travel sector is one of a handful of industries that have been implicated into dealing with more border security-related tasks due to tightening national security regulation. Retail travel workers are faced with more unrewarded work due to the implementation of policies such as eBorders in the UK. For some, the additional tasks doubled their total workload. Call centre workers were told that the eBorders policy would create 100 calls a week, in reality it was 500-600 calls per day.

7.1.36 'The degradation of work and the end of the skilled emotion worker at Aer Lingus: is it all trolley dollies now?', Caitriona Curley and Tony Royle, 2013.[78]

	Description
Sector	Travel
Job type	Airline crew
Geography	Ireland
Area of work analysed	Emotional labour
Key findings	Emotional labour (EL) – work that involves using your behaviour to influence the emotions of customers – was generally viewed to be of growing importance in modern customer-facing jobs. This article finds that in the case of Aer Lingus, the opposite may be true: the airline has been reducing the numbers of long-serving crew members, reduced EL training, recruited lower-qualified staff, and intensified workloads in food and drink sales. Overall this suggests that the business is more interested in efficiency and cutting labour costs, rather than prioritising service quality.

[77] *http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.696.9060&rep=rep1&type=pdf*
[78] *https://journals.sagepub.com/doi/abs/10.1177/0950017012460317*

7.1.37 The red centre tourism employment plan, 2013.[79]

	Description
Sector	Travel and tourism
Job type	All
Geography	Australia (Northern Territory)
Area of work analysed	Staff retention and skills shortage
Key findings	The Northern Territory of Australia is an esteemed area to work in for tourism but is the worst area of Australia for recruitment difficulty, retention difficulty and skills deficiency. There is an estimated tourism staff turnover of 118% in the region. Four key challenges for the tourism labour market: – **Seasonal labour shortages**. Many seasonal vacancies rely on immigration and working holiday makers to fill. Jobs affected include tour guides, waiters, chefs. – **Staff retention**. The length that entry-level jobs are held for is often less than 6-8 weeks, and for low-level managers 12 months. This drives recruitment costs for businesses. – **Specific skill shortages**. Written in 2013, this report forecasted a shortfall of 100 skilled job positions by 2015 (of 1600 overall job vacancies). – **More direct and targeted support**. The wide range of challenges has produced many options for potential solutions. This makes it hard to choose where to begin to tackle the problems and so progress has been delayed. Lack of applicant numbers and required skills are the main recruitment issues. Low retention is largely caused by housing and cost of living difficulties; only 34% of employees are from the local area. This issue is compounded by visa restrictions on how long people can work and in what roles.

[79] *https://www.austrade.gov.au/ArticleDocuments/5499/TEP-Report-RedCentre-20130513.pdf.aspx*

7.1.38 'Online and social media recruitment: Hospitality employer and prospective employee considerations', Adele Ladkin and Dimitrios Buhalis, 2016.[80]

	Description
Sector	Hospitality
Job type	All
Geography	UK
Area of work analysed	Recruitment
Key findings	Use of social media has an effect on the way recruitment happens. Employers can post adverts for jobs using it and also make observations on potential employees through their profiles. On the other side, prospective employees can adjust their profiles to appear more employable, and also look closer into the employer and other people they employ. This use of social networks can be a significant opportunity for hospitality in particular, since more than 40% of the UK's hospitality workforce are under 30. 5 main implications of recruitment through social media for hospitality: • It changes the relationship between employers and potential employees as both parties can get more in-depth information about the other. It also changes the nature of recruitment, and it has been shown that some businesses (e.g. Marriott) no longer have a need for recruitment agencies but simply use existing employees to look people up online. • It creates a 'digital divide'. Because not everyone has the same access to internet, nor do they use it in the same way, social media recruitment creates a **gap in opportunities**. • Personal attributes that are not related to job suitability are more visible and likely to be judged. Therefore, social media recruitment risks not matching an employee to the skills required. • Legal issues of discriminatory hiring and privacy invasion. • Hospitality organisations will need to create social media policies and recruitment strategies.

[80] *https://www.emeraldinsight.com/doi/abs/10.1108/IJCHM-05-2014-0218*

7.1.39 'The Consequences of the Brexit Vote on Management Attitudes to Recruitment in the Hospitality Industry', Katy Ferris, Derek Cameron, Andrew Jenkins, James Marson, 2018.[81]

	Description
Sector	Hospitality and tourism
Job type	Migrant jobs
Geography	UK
Area of work analysed	Recruitment
Key findings	The sector has a number of unique features, including high reliance on migrant workers, low entry barriers, and high employee turnover. It has been found that the low wages and large presence of migrant workers in this industry are linked – as employees perceive migrant workers to demand lower wages. Suggested that the skills gap is less prominent when looking at migrant workers compared to domestic; this is largely because they are seen to have better working attitudes and that their being able to speak other languages is a useful skill in this sector. Were a points-based immigration system to be introduced post-Brexit, it is estimated that 90% of EU nationals working in the UK would fail to get a visa. If the resulting employee gap were to be filled by UK nationals, this would increase labour costs for firms in the sector. In addition, there would be extra costs for firms if they wanted to employee EU citizens after Brexit, e.g. visa sponsorships. 74% of the study's respondents said that Brexit will influence their recruitment policies. 47% of those cited salaries as a contributing factor.

7.1.40 'The impact of free movement on the labour market: case studies of hospitality, food processing and construction', Heather Rolfe and Nathan Hudson-Sharp, 2016.[82]

	Description
Sector	Hospitality and tourism
Job type	Migrant jobs
Geography	UK
Area of work analysed	Effects of EU migration

[81] http://www.kluwerlawonline.com/abstract.php?area=Journals&id=BULA2018020
[82] https://www.niesr.ac.uk/sites/default/files/publications/Free%20movement%20-%20Final%20report.pdf

Key findings	Over time, migrant workers have become more concentrated in the lower skilled, lower paid job sectors. In jobs which are hard to recruit for, migrant workers provide a solution. However, turnover levels among migrant workers were reported to be as high as for their British counterparts. Flexibility in employment contracts and short-term employment is actually built into some hospitality business plans to account for fluctuating demand levels. Employers do not choose to employ migrants over skilled workers – training is still preferable. Lack of skills training in industry is blamed on lack of appeal for young people to go into them – increasing popularity of tertiary education is leading focus away from vocational jobs. Overall, the use of migrant workers does not have a negative impact on domestic workers and it actually helps to build more efficient business models; Brexit-induced reductions in migration may therefore be damaging to the industry.

7.1.41 'Return labour migration: an exploratory study of Polish migrant workers from the UK hospitality industry', Viachaslau Filimonau and Miroslaw Mika, 2017.[83]

	Description
Sector	Hospitality
Job type	Migrant jobs
Geography	UK / Poland
Area of work analysed	Migration
Key findings	Homesickness and the desire for more affordable education are found to be the main reasons for Polish immigrants returning home from the hospitality sector. Having work experience in the UK is beneficial to the career prospects of returning migrants. Brexit may cause more migrant workers to think seriously about re-migrating or migrating to other EU countries.

[83] https://www.tandfonline.com/doi/abs/10.1080/13683500.2017.1280778

7.1.42 'Between globalisation and Brexit: Migration, pay and the road to modern slavery in the UK hospitality industry', Steve French, 2018.[84]

	Description
Sector	Hospitality
Job type	Low-level roles
Geography	UK
Area of work analysed	Effects of migration and working conditions
Key findings	Only 2.9% of hospitality employees are union members – the lowest percentage of any UK industry. This, combined with limited HR presence, allows employers to cut labour costs and sometimes pay less than minimum wage. Zero hours contracts further entrench this issue. The changes in migration policies arising from Brexit could increase the risk of modern slavery and trafficking into this industry.

7.1.43 'Migrant Labour in Rural Tourism: Continuity and Change', Annemarie Piso, 2014.[85]

	Description
Sector	Tourism
Job type	Hotel and restaurant workers
Geography	Yorkshire
Area of work analysed	Migrant labour
Key findings	Over time, most of the businesses in the study maintained a relatively constant level of migrant workers. Despite high levels of unemployment, businesses still had difficulties in recruiting, which can be put down to their rural location. Rural employers in general have little control over the recruitment process. Many migrant-filled jobs were recruited through networking, e.g. family or friends. In some cases this led to worse work ethics and discipline as employees banded together more with their friends and native speakers. Migrant workers from different countries had different reasons for wanting to return home. For those from central / western European countries like Austria, they could get a similar or better wage in their home country

[84] *https://www.ajol.info/index.php/rhm/article/view/176707*
[85] *https://onlinelibrary.wiley.com/doi/abs/10.1002/jtr.2020*

	and came to the UK primarily for experience. For those from eastern countries e.g. Poland, their reasons for re-migrating were more personal such as homesickness. Crucially, the majority of migrant workers have some level of incentive to leave their job to return home.

7.1.44 'Disability inclusion initiative in the hospitality industry: An exploratory study of industry leaders', Valentini Kalargyrou and Anthony A. Volis, 2014.[86]

	Description
Sector	Hospitality and tourism
Job type	All
Geography	United States
Area of work analysed	Disabled persons inclusion
Key findings	The unemployment rate of people with disabilities is 15%, compared to 8.9% for the rest of the population. As a result, only 35.3% of the disabled population are 'meaningfully' employed. The study finds a number of large (global) industry leaders that proactively employ disabled people and undertake initiatives and programmes to help facilitate their training and retention. Not only do programmes focus on people with disabilities themselves, but there are also initiatives in place directed at non-disabled employees to help them work alongside and assist their disabled colleagues. The study identifies 5 main benefits reported by hospitality businesses of reaching out to disabled employees. • It improves innovation and ideas by drawing upon a more diverse workforce. • It improves customer satisfaction. • It is helpful for marketing and improves the company image. • It improves the productivity of the workplace as a whole by maximising talent and retention. • It improves overall welfare in the workplace by removing barriers. It finds that, as long as appropriate training and treatment is given to disabled employees, hospitality

86 *https://www.researchgate.net/publication/280217390_Disability_Inclusion_Initiatives_in_the_Hospitality_Industry_An_Exploratory_Study_of_Industry_Leaders/download*

	businesses should face little to no challenges if they engage in disabled persons inclusion.

7.1.45 'Grooming future hospitality leaders: A competencies model', Beth G. Chung-Herrera, Cathy A. Enz, Melenie J. Lankau, 2003.[87]

	Description
Sector	Hospitality (in particular hotels)
Job type	Leadership roles
Geography	United States
Area of work analysed	Competency models
Key findings	8 key areas in HR systems for which competency models can be of use: – Recruitment – Training – Performance evaluation – Mentoring – Reward systems – Career development – Succession planning – Management changes In a broad sense, competency models can improve a company's performance, boost its resilience, and enhance communication with employees. The report formed a list of 99 competencies for leadership in hospitality. The list had 8 overarching factors under which each competency could be categorised: – Self-management – Strategic positioning – Implementation – Critical thinking – Communication – Interpersonal skills – Leadership – Industry knowledge. Respondents placed a value of 1-5 on each of the 99 competencies depending on how important they found them to be for leadership. The order of the above overarching factors reflects the relative rankings produced from the respondents. This model can equally help recruiters to identify effective future leaders, and also informs employees

[87] *https://scholarship.sha.cornell.edu/articles/366/*

	what would be expected of them in order to become an industry leader.

7.1.46 'Employee turnover intention among newcomers in travel industry', Namhyn Kim, 2012.[88]

	Description
Sector	Travel
Job type	Travel agency HR and new-joiners
Geography	Korea
Area of work analysed	Retention
Key findings	Turnover is affected by levels of prior experience – more experience increases retention. In order to retain employees, businesses should develop programmes to improve job satisfaction and organisational commitment. Managers should facilitate social networking so that employees can share skills, thus making it easier for new joiners. HR staff should be aware of the environment **outside** of the workplace as well, due to some newcomers being tempted to other roles which offer better pay etc.

7.1.47 'A Study of Emotional Intelligence Levels in Hospitality Industry Professionals', Sheila A. Scott-Halsell , Shane C. Blum & Lynn Huffman, 2008.[89]

	Description
Sector	Hospitality
Job type	All
Geography	US
Area of work analysed	Career development
Key findings	This study investigates the relationship between specific socio-demographic variables and the emotional intelligence (EI) levels of hospitality industry professionals. EI is how individuals relate and react to the world around them. For example, to be successful, managers must know their strengths, weaknesses, and limitations. They must be adaptable, conscientious, persuasive,

[88] *https://onlinelibrary.wiley.com/doi/pdf/10.1002/jtr.1898*
[89] *https://www.tandfonline.com/doi/pdf/10.1080/15332840802156873?needAccess=true*

	collaborative, high performing, and possess the ability to see things from others' perspectives. Leaders who possess high levels of EI are able to communicate vision and enthusiasm effectively and are able to minimise unnecessary conflict while empathising with subordinates and guests. They are also able to accurately assess their own and others' emotions in an effort to choose the best strategies to both maximise results and satisfy the parties involved. **Self-awareness.** Leaders who are self aware are better able to prevent miscommunication with others. **Self-management.** There is an expectation from both guests and employees that successful managers will adjust to needs of the individuals involved in the current situation. For example, when dealing with disgruntled customers, a manager ought to assess the situation without internalising the negative comments. **Social awareness.** The social awareness dimension of EI includes empathy, organisational awareness, and service orientation. Empathy is being aware of others' feelings and needs, as well as being able to see things from others' perspectives. Organisational awareness is being aware of the environment around oneself, including political undertones, while service orientation is meeting the needs of those to whom one has a responsibility, including employees and customers. **Relationship management.** This encompasses being an inspirational leader and persuasive.

8. Detailed data tables

This chapter contains more detailed data tables referred to in the main body of this annex, as well as the accompanying report.

The following pages contain detailed supplementary data tables setting out:

- unweighted base sizes for all industries;
- unweighted base sizes for the Hospitality and Tourism sector;
- supplementary data tables on workforce features;
- supplementary data tables on external skills deficits;
- supplementary data tables on internal skills deficits; and
- supplementary data tables training provision.

8.1 Unweighted base sizes all industries

Table 48: Unweighted base sizes (i.e. the number of completed interviews) for all establishments, by region and sector (ESS 2011 - 2017)

	2011	2013	2015	2017
UK	86,522	91,279	91,210	87,430
Regions				
East Midlands	7,253	7,269	7,179	6,801
East of England	8,372	8,476	8,445	8,111
London	9,925	10,371	10,630	10,269
North East	5,529	5,614	5,642	5,195
North West	8,735	8,763	8,631	8,263
South East	10,592	10,730	10,685	10,155
South West	8,377	8,511	8,493	7,992
West Midlands	7,851	7,914	7,879	7,483
Yorkshire & Humber	7,522	7,607	7,545	7,258
England	74,156	75,255	75,129	71,527
Northern Ireland	3,921	4,014	4,019	3,973
Scotland	2,487	6,014	6,035	6,017
Wales	5,958	5,996	6,027	5,913
Sector				
Hotel & related	1,633	1,851	1,688	1,454
Restaurant & related	6,576	6,863	7,089	6,844
Travel agency	299	388	313	351
Sport & recreation	980	938	1,015	596
Passenger transport	70	82	70	39
Catering	191	144	129	155
Event management	116	183	172	64
Retail	9,981	11,707	10,833	9,271
Non H&T or retail	66,676	69,123	69,901	68,656

Source: Economic Insight analysis of ESS 2011, 2013, 2015, 2017.

Table 49: Unweighted base sizes (i.e. the number of completed interviews), by sector (ESS 2011)

	Hotel & related	Restaurant & related	Travel agency	Sport & recreation	Passenger transport	Catering	Event management	Retail	Non H&T or retail
East Midlands	101	567	22	82	3	21	15	801	5,641
East of England	116	594	28	85	3	14	15	945	6,572
London	183	850	55	86	16	28	22	1,074	7,611
North East	74	485	25	69	1	8	1	835	4,031
North West	192	601	36	99	7	9	8	981	6,802
South East	156	708	31	106	17	27	17	1,153	8,377
South West	210	676	8	106	11	22	11	919	6,414
West Midlands	116	627	29	88	1	26	11	901	6,052
Yorkshire & Humber	142	621	24	84	1	12	4	899	5,735
England	1,290	5,729	258	805	60	167	104	8,508	57,235
Northern Ireland	55	269	14	45	2	8	5	486	3,037
Scotland	74	138	8	30	3	5	0	237	1,992
Wales	214	440	19	100	5	11	7	750	4,412
UK	1,633	6,576	299	980	70	191	116	9,981	66,676

Source: Economic Insight analysis of ESS 2011.

Table 50: Unweighted base sizes (i.e. the number of completed interviews), by sector (ESS 2013)

	Hotel & related	Restaurant & related	Travel agency	Sport & recreation	Passenger transport	Catering	Event management	Retail	Non H&T or retail
East Midlands	96	553	25	71	5	14	17	843	5,645
East of England	153	602	33	90	6	15	16	956	6,605
London	151	851	62	72	18	19	57	1,332	7,809
North East	104	547	27	73	0	12	3	992	3,856
North West	210	613	37	101	8	10	12	1,180	6,592
South East	209	773	34	120	19	21	26	1,262	8,266
South West	227	612	42	91	8	7	10	1,032	6,482
West Midlands	105	605	26	85	1	8	23	1,072	5,989
Yorkshire & Humber	132	624	39	85	2	15	6	1,040	5,664
England	1,387	5,780	325	788	67	121	170	9,709	56,908
Northern Ireland	69	306	19	29	3	10	3	586	2,989
Scotland	216	343	22	68	9	9	1	636	4,710
Wales	179	434	22	53	3	4	9	776	4,516
UK	1,851	6,863	388	938	82	144	183	11,707	69,123

Source: Economic Insight analysis of ESS 2013.

Table 51: Unweighted base sizes (i.e. the number of completed interviews), by sector (ESS 2015)

	Hotel & related	Restaurant & related	Travel agency	Sport & recreation	Passenger transport	Catering	Event management	Retail	Non H&T or retail
East Midlands	106	506	19	72	3	9	19	756	5,689
East of England	112	592	24	90	11	10	15	864	6,727
London	127	895	52	95	18	19	54	1,181	8,189
North East	139	589	42	81	2	15	2	881	3,891
North West	165	670	23	88	6	10	7	1,074	6,588
South East	198	769	30	105	9	14	28	1,182	8,350
South West	206	666	21	110	5	9	10	946	6,520
West Midlands	106	584	22	71	0	17	16	928	6,135
Yorkshire & Humber	128	592	27	83	2	8	13	967	5,725
England	1,287	5,863	260	795	56	111	164	8,779	57,814
Northern Ireland	58	349	13	73	3	7	4	589	2,923
Scotland	169	408	21	73	7	5	1	638	4,713
Wales	174	469	19	74	4	6	3	827	4,451
UK	1,688	7,089	313	1,015	70	129	172	10,833	69,901

Source: Economic Insight analysis of ESS 2015.

Table 52: Unweighted base sizes (i.e. the number of completed interviews), by sector (ESS 2017)

	Hotel & related	Restaurant & related	Travel agency	Sport & recreation	Passenger transport	Catering	Event management	Retail	Non H&T or retail
East Midlands	68	545	21	54	1	13	6	679	5,414
East of England	100	668	35	40	4	14	3	823	6,424
London	132	928	48	61	8	30	11	1,151	7,900
North East	93	475	32	38	3	6	4	707	3,837
North West	135	663	32	43	0	10	0	834	6,546
South East	144	784	34	80	1	15	12	1,044	8,041
South West	205	542	22	61	8	13	3	835	6,303
West Midlands	100	530	23	46	3	13	6	760	6,002
Yorkshire & Humber	102	554	36	49	0	12	10	709	5,786
England	1,079	5,689	283	472	28	126	55	7,542	56,253
Northern Ireland	61	319	18	23	1	3	3	497	3,048
Scotland	164	405	19	49	9	11	1	624	4,735
Wales	150	431	31	52	1	15	5	608	4,620
UK	1,454	6,844	351	596	39	155	64	9,271	68,656

Source: Economic Insight analysis of ESS 2017.

Table 53: Unweighted base sizes (i.e. the number of completed interviews), by occupation and region (ESS 2017)

	Managers	Professionals	Associate professionals	Administrative/clerical staff	Skilled trades	Caring, leisure and other services staff	Sales/customer service staff	Machine operatives	Elementary staff
East Midlands	6,518	1,301	917	4,075	1,729	1,187	1,822	1,280	2,427
East of England	7,820	1,807	1,567	5,335	2,257	1,233	2,462	1,515	2,997
London	9,995	2,893	2,173	6,642	1,838	1,464	3,141	973	2,723
North East	4,888	971	714	2,675	1,291	906	1,414	764	1,674
North West	7,964	1,976	1,500	5,193	2,368	1,407	2,438	1,516	3,325
South East	9,805	2,460	1,858	6,545	2,501	1,633	3,091	1,622	3,259
South West	7,612	1,664	1,356	4,893	2,310	1,297	2,255	1,373	2,979
West Midlands	7,210	1,659	1,330	4,799	2,012	1,139	2,301	1,528	2,788
Yorkshire & Humber	6,974	1,485	1,173	4,530	2,055	1,197	2,135	1,413	2,816
England	68,786	16,216	12,588	44,687	18,361	11,463	21,059	11,984	24,988
Northern Ireland	3,693	848	603	2,439	916	665	1,133	647	1,307
Scotland	5,743	1,401	1,160	3,869	1,823	957	1,744	1,178	2,459
Wales	5,626	1,109	796	3,290	1,528	957	1,529	988	1,990
UK	83,848	19,574	15,147	54,285	22,628	14,042	25,465	14,797	30,744

Source: Economic Insight analysis of ESS 2017.

Base: all establishments that employ at least one employee in SOC.

Unweighted base sizes (i.e. the number of completed interviews), by occupation and segment (ESS 2017)

	Managers	Professionals	Associate professionals	Administrative/clerical staff	Skilled trades	Caring, leisure and other services staff	Sales/customer service staff	Machine operatives	Elementary staff
Hotel & related	1,406	124	204	942	745	386	413	104	1,185
Restaurant & related	6,550	81	96	1,111	2,703	116	1,684	257	5,662
Travel agency	340	26	39	179	8	79	200	6	24
Sport & recreation	556	92	115	351	173	122	269	73	270
Passenger transport	36	7	7	24	10	5	14	12	10
Catering	152	15	9	87	76	2	40	20	123
Event management	62	7	14	45	11	0	21	10	17
All H&T	9,102	352	484	2,739	3,726	710	2,641	482	7,291

Source: Economic Insight analysis of ESS 2017.

Base: all establishments that employ at least one employee in SOC.

Table 54: Unweighted base sizes (i.e. the number of completed interviews), by vacancy in occupation and region (ESS 2017)

	Managers	Professionals	Associate professionals	Administrative/clerical staff	Skilled trades	Caring, leisure and other services staff	Sales/customer service staff	Machine operatives	Elementary staff
East Midlands	85	246	304	228	282	302	216	150	318
East of England	159	415	465	410	431	445	367	244	572
London	246	610	766	551	306	504	523	160	570
North East	64	197	171	129	168	200	122	59	152
North West	131	417	460	358	393	408	306	205	510
South East	194	565	573	457	496	644	539	244	651
South West	131	371	385	322	449	431	316	249	539
West Midlands	110	380	399	280	366	342	281	177	428
Yorkshire & Humber	88	336	368	245	319	290	223	153	353
England	1,208	3,537	3,891	2,980	3,210	3,566	2,893	1,641	4,093
Northern Ireland	44	162	156	129	151	110	109	72	140
Scotland	110	331	315	300	314	297	207	165	363
Wales	64	231	222	182	244	252	163	117	268
UK	1,426	4,261	4,584	3,591	3,919	4,225	3,372	1,995	4,864

Source: Economic Insight analysis of ESS 2017.

Base: all establishments that have a vacancy in SOC.

Table 55: Unweighted base sizes (i.e. the number of completed interviews), by vacancy in occupation and segment (ESS 2017)

	Managers	Professionals	Associate professionals	Administrative/clerical staff	Skilled trades	Caring, leisure and other services staff	Sales/customer service staff	Machine operatives	Elementary staff
Hotel & related	75	8	64	201	241	143	25	14	433
Restaurant & related	164	9	20	44	851	33	132	125	2,025
Travel agency	5	3	12	10	2	42	13	3	2
Sport & recreation	18	16	44	18	18	35	36	5	62
Passenger transport	1	0	2	3	1	0	3	0	1
Catering	2	1	5	1	15	1	4	3	24
Event management	1	2	10	3	0	0	2	1	2
All H&T	75	8	64	201	241	143	25	14	433

Source: Economic Insight analysis of ESS 2017.

Base: all establishments that have a vacancy in SOC.

8.2 Unweighted base sizes Hospitality and Tourism specific

Table 56: Hospitality and Tourism establishments by region

	2011	2013	2015	2017
UK	9,865	10,449	10,476	9,503
Regions				
East Midlands	811	781	734	708
East of England	855	915	854	864
London	1,240	1,230	1,260	1,218
North East	663	766	870	651
North West	952	991	969	883
South East	1,062	1,202	1,153	1,070
South West	1,044	997	1,027	854
West Midlands	898	853	816	721
Yorkshire & Humber	888	903	853	763
England	8,413	8,638	8,536	7,732
Northern Ireland	398	439	507	428
Scotland	258	668	684	658
Wales	796	704	749	685

Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Table 57: Hospitality and Tourism establishments with vacancies by region

	2011	2013	2015	2017
UK	2,358	2,758	3,803	3,647
Regions				
East Midlands	166	155	252	218
East of England	219	248	296	403
London	337	386	541	526
North East	111	133	194	129
North West	247	285	348	368
South East	319	387	559	474
South West	248	274	404	362
West Midlands	186	234	298	309
Yorkshire & Humber	186	204	316	260
England	2,019	2,306	3,208	3,049
Northern Ireland	71	79	103	115
Scotland	98	210	270	268
Wales	170	163	222	215

Source: Economic Insight analysis of ESS 2011, 2013, 2015, and 2017.

Table 58: Unweighted base sizes (i.e. the number of completed interviews), by occupation and region (ESS 2017)

	Managers	Professionals	Associate professionals	Administrative/clerical staff	Skilled trades	Caring, leisure and other services staff	Sales/customer service staff	Machine operatives	Elementary staff
East Midlands	674	19	27	170	247	42	174	40	537
East of England	840	24	38	258	363	63	217	46	703
London	1,194	79	84	411	464	59	376	71	905
North East	593	15	16	133	207	46	164	18	473
North West	855	27	47	234	379	70	246	39	716
South East	1,029	42	62	294	413	78	289	68	803
South West	816	36	47	299	391	96	203	52	674
West Midlands	691	26	48	186	288	54	228	35	562
Yorkshire & Humber	726	25	32	211	292	56	224	24	584
England	7,418	293	401	2,196	3,044	564	2,121	393	5,957
Northern Ireland	390	10	16	115	136	25	140	11	295
Scotland	636	29	40	225	296	73	180	46	526
Wales	658	20	27	203	250	48	200	32	513
UK	9,102	352	484	2,739	3,726	710	2,641	482	7,291

Source: Economic Insight analysis of ESS 2017.

Base: all H&T establishments that employ at least one employee in SOC.

Table 59: Unweighted base sizes (i.e. the number of completed interviews), by vacancy in occupation and region (ESS 2017)

	Managers	Professionals	Associate professionals	Administrative/clerical staff	Skilled trades	Caring, leisure and other services staff	Sales/customer service staff	Machine operatives	Elementary staff
East Midlands	17	1	17	12	59	12	20	10	146
East of England	33	5	13	19	126	14	21	20	302
London	41	7	29	66	128	20	40	21	376
North East	14	1	2	8	41	10	8	1	82
North West	28	4	15	28	127	31	17	13	262
South East	34	6	22	36	155	44	33	26	322
South West	21	1	12	24	133	29	15	15	251
West Midlands	23	3	10	16	94	26	21	11	219
Yorkshire & Humber	18	4	10	14	74	15	11	11	183
England	229	32	130	223	937	201	186	128	2,143
Northern Ireland	10	3	7	11	35	9	2	0	78
Scotland	18	2	15	33	93	23	15	13	175
Wales	9	2	5	13	63	21	12	10	153
UK	266	39	157	280	1,128	254	215	151	2,549

Source: Economic Insight analysis of ESS 2017.

Base: all H&T establishments that have a vacancy in SOC.

8.3 Workforce features: supplementary data tables on job types

8.3.1 Hospitality and Tourism specific tables

Table 60: Hospitality and Tourism job type distribution, UK

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base e*	*%*	*Unwtd base*	*%*
Managers	*9,207*	19%	*9,978*	19%	*10,056*	19%	*9,102*	18%
Profession-als	*487*	1%	*490*	1%	*451*	1%	*352*	1%
Associate profession-als	*418*	2%	*432*	1%	*544*	2%	*484*	2%
Administra-tive / clerical staff	*2,809*	6%	*3,263*	6%	*3,209*	5%	*2,739*	5%
Skilled trades occupations	*2,383*	5%	*3,300*	7%	*4,023*	9%	*3,726*	10%
Caring, leisure and other services staff	*902*	4%	*846*	3%	*1,137*	4%	*710*	2%
Sales and customer services staff	*2,728*	15%	*2,729*	14%	*2,545*	13%	*2,641*	14%
Machine operatives	*380*	2%	*398*	2%	*455*	2%	*482*	2%
Elementary staff	*7,395*	46%	*8,111*	48%	*8,013*	45%	*7,291*	45%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

8.3.2 All UK industries tables

Table 61: All industries job type distribution, UK

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base e*	*%*	*Unwtd base*	*%*
Managers	*82,426*	18%	*87,946*	18%	*87,590*	17%	*83,848*	17%
Profession-als	*16,337*	12%	*17,407*	12%	*17,483*	12%	*19,574*	13%
Associate profession-als	*13,731*	7%	*12,577*	6%	*13,309*	6%	*15,147*	7%
Administra-tive / clerical staff	*50,656*	13%	*53,759*	13%	*53,622*	13%	*54,285*	13%
Skilled trades occupations	*20,507*	7%	*23,644*	7%	*24,025*	7%	*22,628*	7%
Caring, leisure and other services staff	*12,712*	9%	*14,017*	10%	*15,310*	11%	*14,042*	9%
Sales and customer services staff	*26,739*	13%	*27,417*	13%	*25,940*	13%	*25,465*	13%
Machine operatives	*13,369*	7%	*14,059*	7%	*14,105*	8%	*14,797*	8%
Elementary staff	*30,609*	15%	*32,192*	14%	*31,970*	13%	*30,744*	14%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

8.4 Job deficits: supplementary data tables

8.4.1 Hospitality and Tourism specific tables

Table 62: Hospitality and Tourism vacancy density (vacancy / staff), by regions

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
East Midlands	*811*	2.95%	*781*	3%	*734*	5%	*708*	4%
East of England	*855*	3.50%	*915*	4%	*854*	6%	*864*	8%
London	*1,240*	3.07%	*1,230*	4%	*1,260*	4%	*1,218*	5%
North East	*663*	2.53%	*766*	3%	*870*	4%	*651*	3%
North West	*952*	2.75%	*991*	3%	*969*	4%	*883*	5%
South East	*1,062*	4.66%	*1,202*	4%	*1,153*	6%	*1,070*	6%
South West	*1,044*	3.37%	*997*	4%	*1,027*	6%	*854*	6%
West Midlands	*898*	2.65%	*853*	4%	*816*	5%	*721*	6%
Yorkshire and Humber	*888*	3.02%	*903*	3%	*853*	5%	*763*	7%
England	*8,413*	3.29%	*8,638*	4%	*8,536*	5%	*7,732*	6%
Northern Ireland	*398*	2.47%	*439*	3%	*507*	3%	*428*	4%
Scotland	*258*	2.55%	*668*	4%	*684*	5%	*658*	5%
Wales	*796*	2.73%	*704*	4%	*749*	5%	*685*	5%
UK	*9,865*	3.17%	*10,449*	4%	*10,476*	5%	*9,503*	6%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

Table 63: UK Hospitality and Tourism vacancy density (vacancy / staff), by segments

	2011		2013		2015		2017	
	Unwtd base	%	*Unwtd base*	%	*Unwtd base*	%	*Unwtd base*	%
Hotel & related	*1,633*	3%	*1,851*	3%	*1,688*	4%	*1,454*	5%
Restaurant & related	*6,576*	3%	*6,863*	4%	*7,089*	6%	*6,844*	6%
Travel agency	*299*	2%	*388*	3%	*313*	2%	*351*	3%
Sport & recreation	*980*	3%	*938*	3%	*1,015*	4%	*596*	5%
Passenger transport	*70*	1%	*82*	1%	*70*	3%	*39*	3%
Catering	*191*	5%	*144*	6%	*129*	3%	*155*	3%
Event mgmt	*116*	1%	*183*	4%	*172*	2%	*64*	6%
All H&T segments	*9,865*	3%	*10,449*	4%	*10,476*	5%	*9,503*	6%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

Table 64: UK Hospitality and Tourism vacancy density (vacancy / staff), by occupation

	2011		2013		2015		2017	
	Unwtd base	***%***	***Unwtd base***	***%***	***Unwtd base***	***%***	***Unwtd base***	***%***
Managers	*9,207*	1%	*9,978*	1%	*10,056*	1%	*9,102*	1%
Profession-als	*487*	3%	*490*	2%	*451*	2%	*352*	3%
Associate profession-als	*418*	7%	*432*	15%	*544*	12%	*484*	8%
Administra-tive / clerical staff	*2,809*	3%	*3,263*	3%	*3,209*	3%	*2,739*	4%
Skilled trades occupations	*2,383*	9%	*3,300*	7%	*4,023*	9%	*3,726*	8%
Caring, leisure and other services staff	*902*	5%	*846*	10%	*1,137*	6%	*710*	11%
Sales and customer services staff	*2,728*	1%	*2,729*	1%	*2,545*	1%	*2,641*	2%
Machine operatives	*380*	3%	*398*	6%	*455*	8%	*482*	11%
Elementary staff	*7,395*	4%	*8,111*	4%	*8,013*	7%	*7,291*	7%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

8.4.3 All UK industries tables

Table 65: All industries vacancy density (vacancy / staff), by regions

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
East Midlands	*7,253*	2%	*7,269*	2%	*7,179*	3%	*6,801*	3%
East of England	*8,372*	3%	*8,476*	3%	*8,445*	3%	*8,111*	4%
London	*9,925*	2%	*10,371*	3%	*10,630*	4%	*10,269*	4%
North East	*5,529*	2%	*5,614*	2%	*5,642*	3%	*5,195*	3%
North West	*8,735*	2%	*8,763*	2%	*8,631*	3%	*8,263*	3%
South East	*10,592*	3%	*10,730*	3%	*10,685*	4%	*10,155*	4%
South West	*8,377*	2%	*8,511*	3%	*8,493*	3%	*7,992*	4%
West Midlands	*7,851*	2%	*7,914*	2%	*7,879*	4%	*7,483*	4%
Yorkshire and Humber	*7,522*	2%	*7,607*	2%	*7,545*	3%	*7,258*	3%
England	*74,156*	2%	*75,255*	2%	*75,129*	3%	*71,527*	4%
Northern Ireland	*3,921*	2%	*4,014*	2%	*4,019*	3%	*3,973*	3%
Scotland	*2,487*	2%	*6,014*	2%	*6,035*	3%	*6,017*	3%
Wales	*5,958*	2%	*5,996*	2%	*6,027*	3%	*5,913*	3%
UK	*86,522*	2%	*91,279*	2%	*91,210*	3%	*87,430*	3%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

Table 66: UK all industries vacancy density (vacancy / staff), by occupation

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
Managers	*82,426*	0%	*87,946*	0%	*87,590*	1%	*83,848*	1%
Profession-als	*16,337*	3%	*17,407*	3%	*17,483*	4%	*19,574*	4%
Associate profession-als	*13,731*	5%	*12,577*	6%	*13,309*	8%	*15,147*	7%
Administra-tive / clerical staff	*50,656*	2%	*53,759*	2%	*53,622*	3%	*54,285*	2%
Skilled trades occupations	*20,507*	3%	*23,644*	3%	*24,025*	4%	*22,628*	5%
Caring, leisure and other services staff	*12,712*	3%	*14,017*	4%	*15,310*	5%	*14,042*	5%
Sales and customer services staff	*26,739*	2%	*27,417*	2%	*25,940*	3%	*25,465*	3%
Machine operatives	*13,369*	2%	*14,059*	2%	*14,105*	3%	*14,797*	3%
Elementary staff	*30,609*	2%	*32,192*	2%	*31,970*	4%	*30,744*	4%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

8.5 External skills deficits: supplementary data tables

8.5.1 Hospitality and Tourism specific tables

Table 67: Hospitality and Tourism SSV density (SSVs / vacancies), by region

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
East Midlands	*166*	17%	*155*	16%	*252*	19%	*218*	11%
East of England	*219*	17%	*248*	21%	*296*	16%	*403*	17%
London	*337*	13%	*386*	23%	*541*	17%	*526*	15%
North East	*111*	8%	*133*	20%	*194*	16%	*129*	14%
North West	*247*	11%	*285*	14%	*348*	14%	*368*	17%
South East	*319*	15%	*387*	21%	*559*	19%	*474*	16%
South West	*248*	12%	*274*	13%	*404*	21%	*362*	21%
West Midlands	*186*	12%	*234*	17%	*298*	17%	*309*	21%
Yorkshire and The Humber	*186*	10%	*204*	12%	*316*	20%	*260*	13%
England	*2,019*	13%	*2,306*	18%	*3,208*	18%	*3,049*	16%
Northern Ireland	*71*	24%	*79*	28%	*103*	16%	*115*	19%
Scotland	*98*	20%	*210*	19%	*270*	22%	*268*	24%
Wales	*170*	20%	*163*	20%	*222*	23%	*215*	25%
UK	*2,358*	14%	*2,758*	19%	*3,803*	18%	*3,647*	17%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments with vacancies

Table 68: UK Hospitality and Tourism SSV density (SSVs / vacancies), by segment

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
Hotel & related	*498*	18%	*583*	18%	*685*	18%	*668*	19%
Restaurant & related	*1,555*	15%	*1,840*	19%	*2,702*	18%	*2,648*	16%
Travel agency	*57*	7%	*80*	32%	*55*	30%	*75*	25%
Sport & recreation	*199*	6%	*172*	9%	*262*	13%	*182*	22%
Passenger transport	*10*	0%	*18*	1%	*21*	13%	*10*	5%
Catering	*19*	4%	*19*	19%	*30*	49%	*45*	22%
Event management	*20*	7%	*46*	20%	*48*	24%	*19*	12%
All H&T segments	*2,358*	14%	*2,758*	19%	*3,803*	18%	*3,647*	17%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments with vacancies

Table 69: UK Hospitality and Tourism SSV density (SSVs / vacancies), by occupation

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
Managers	*146*	21%	*204*	28%	*265*	23%	*266*	21%
Profession-als	*36*	4%	*21*	12%	*35*	13%	*39*	44%
Associate professionals	*134*	8%	*155*	15%	*182*	13%	*157*	18%
Administra-tive / clerical staff	*196*	11%	*269*	17%	*273*	15%	*280*	12%
Skilled trades occupations	*583*	32%	*732*	43%	*1,074*	37%	*1,128*	39%
Caring, leisure and other services staff	*194*	8%	*233*	19%	*312*	21%	*254*	15%
Sales and customer services staff	*136*	12%	*136*	14%	*111*	7%	*215*	19%
Machine operatives	*57*	12%	*102*	16%	*130*	12%	*151*	13%
Elementary staff	*1,463*	11%	*1,783*	14%	*2,526*	15%	*2,549*	12%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments with vacancies

8.5.2 All UK industries tables

Table 70: All industries SSV densities (SSVs / vacancies), by region

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
East Midlands	*1361*	15%	*1321*	19%	*1844*	23%	*1691*	23%
East of England	*1782*	14%	*1877*	25%	*2239*	22%	*2675*	25%
London	*2437*	14%	*2649*	23%	*3509*	20%	*3311*	17%
North East	*806*	15%	*818*	21%	*1027*	24%	*1036*	25%
North West	*1755*	17%	*1775*	23%	*2196*	21%	*2469*	22%
South East	*2678*	17%	*2750*	27%	*3595*	26%	*3367*	21%
South West	*1525*	14%	*1775*	17%	*2246*	24%	*2463*	30%
West Midlands	*1156*	15%	*1566*	21%	*2142*	23%	*2122*	25%
Yorkshire and The Humber	*1249*	17%	*1363*	17%	*1899*	22%	*1899*	19%
England	*14749*	15%	*15894*	22%	*20697*	23%	*21033*	22%
Northern Ireland	*520*	21%	*550*	19%	*713*	14%	*855*	21%
Scotland	*729*	15%	*1499*	25%	*1619*	24%	*1827*	24%
Wales	*1095*	18%	*1016*	20%	*1277*	24%	*1399*	27%
UK	*17,093*	16%	*18,959*	22%	*24,306*	23%	*25,114*	22%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments with vacancies

Table 71: UK all industries SSV density (SSVs / vacancies), by occupation

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
Managers	*987*	20%	*1,168*	20%	*1,335*	17%	*1,426*	18%
Profession-als	*3,025*	19%	*3,594*	30%	*4,047*	32%	*4,261*	30%
Associate professionals	*3,179*	18%	*3,406*	26%	*4,010*	22%	*4,584*	23%
Administra-tive / clerical staff	*2,648*	10%	*2,760*	13%	*3,231*	11%	*3,591*	14%
Skilled trades occupations	*2,219*	33%	*2,600*	39%	*3,814*	43%	*3,919*	42%
Caring, leisure and other services staff	*2,556*	15%	*3,232*	27%	*4,309*	20%	*4,225*	24%
Sales and customer services staff	*2,275*	9%	*2,578*	13%	*2,971*	16%	*3,372*	15%
Machine operatives	*1,129*	14%	*1,197*	25%	*1,780*	32%	*1,995*	31%
Elementary staff	*2,844*	10%	*3,171*	13%	*4,491*	14%	*4,864*	14%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments with vacancies

8.6 Internal skills deficits: supplementary data tables on job types

8.6.1 Hospitality and Tourism specific tables

Table 72: Hospitality and Tourism skills gap density (staff not proficient / staff), by region

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
East Midlands	811	6%	781	7%	734	7%	708	6%
East of England	855	9%	915	9%	854	6%	864	8%
London	1,240	9%	1,230	7%	1,260	8%	1,218	6%
North East	663	7%	766	9%	870	6%	651	5%
North West	952	9%	991	7%	969	7%	883	6%
South East	1,062	8%	1,202	8%	1,153	6%	1,070	5%
South West	1,044	8%	997	7%	1,027	6%	854	9%
West Midlands	898	11%	853	14%	816	7%	721	7%
Yorkshire and The Humber	888	8%	903	6%	853	7%	763	6%
England	8,413	9%	8,638	8%	8,536	7%	7,732	7%
Northern Ireland	398	9%	439	8%	507	6%	428	8%
Scotland	258	9%	668	8%	684	7%	658	7%
Wales	796	7%	704	9%	749	7%	685	7%
UK	9,865	9%	10,449	8%	10,476	7%	9,503	7%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

Table 73: UK Hospitality and Tourism skills gap density (staff not proficient / staff), by segment

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
Hotel & related	*1,633*	9%	*1,851*	11%	*1,688*	7%	*1,454*	7%
Restaurant & related	*6,576*	9%	*6,863*	8%	*7,089*	7%	*6,844*	7%
Travel agency	*299*	11%	*388*	4%	*313*	4%	*351*	5%
Sport & recreation	*980*	6%	*938*	5%	*1,015*	5%	*596*	7%
Passenger transport	*70*	3%	*82*	2%	*70*	3%	*39*	3%
Catering	*191*	4%	*144*	4%	*129*	13%	*155*	9%
Event management	*116*	3%	*183*	6%	*172*	1%	*64*	2%
All H&T segments	*9,865*	9%	*10,449*	8%	*10,476*	7%	*9,503*	7%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

Table 74: UK Hospitality and Tourism skills gap density (staff not proficient / staff), by occupation

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
Managers	*9,207*	4%	*9,978*	4%	*10,056*	3%	*9,102*	2%
Profession-als	*487*	3%	*490*	2%	*451*	4%	*352*	1%
Associate professionals	*418*	5%	*432*	4%	*544*	6%	*484*	6%
Administra-tive / clerical staff	*2,809*	6%	*3,263*	4%	*3,209*	5%	*2,739*	4%
Skilled trades occupations	*2,383*	7%	*3,300*	8%	*4,023*	6%	*3,726*	6%
Caring, leisure and other services staff	*902*	5%	*846*	6%	*1,137*	5%	*710*	6%
Sales and customer services staff	*2,728*	10%	*2,729*	12%	*2,545*	8%	*2,641*	8%
Machine operatives	*380*	14%	*398*	6%	*455*	7%	*482*	6%
Elementary staff	*7,395*	11%	*8,111*	10%	*8,013*	9%	*7,291*	8%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

Table 75: Hospitality and Tourism SSV density (SSVs / vacancies) and skills gap density (staff not proficient / staff), by LEP, 2017

	Unwtd base	SSV %	Unwtd base	Skills gap %
Black Country	38	33%	104	4%
Buckinghamshire Thames Valley	22	3%	48	7%
Cheshire and Warrington	47	18%	124	6%
Coast to Capital	106	13%	246	6%
Cornwall and Isles of Scilly	45	22%	137	6%
Coventry and Warwickshire	61	24%	104	6%
Cumbria	66	30%	129	8%
Derby Derbyshire Nottingham and Nottinghamshire	98	9%	345	5%
Dorset	62	13%	146	7%
Enterprise M3	90	20%	192	6%
Gloucestershire	41	26%	81	7%
Greater Birmingham and Solihull	88	23%	234	7%
Greater Cambridge Greater Peterborough	117	20%	243	9%
Greater Lincolnshire	37	13%	147	6%
Greater Manchester	119	11%	282	6%
Heart of the South West	118	23%	296	10%
Hertfordshire	86	17%	203	9%
Humber	33	14%	114	5%
Lancashire	85	18%	195	8%
Leeds City Region	152	5%	411	6%
Leicester and Leicestershire	56	13%	157	4%
Liverpool City Region	51	20%	153	8%
London	526	15%	1,218	6%
New Anglia	107	17%	231	8%
North Eastern	102	13%	477	5%

	Unwtd base	SSV %	Unwtd base	Skills gap %
Northamptonshire	**	**	**	**
Oxfordshire	52	50%	86	7%
Sheffield City Region	67	14%	252	5%
Solent	52	18%	114	6%
South East	226	14%	544	6%
South East Midlands	94	12%	203	8%
Stoke-on-Trent and Staffordshire	59	14%	141	8%
Swindon and Wiltshire	25	25%	52	14%
Tees Valley	27	4%	174	5%
Thames Valley Berkshire	50	10%	96	4%
The Marches	53	20%	123	7%
West of England	71	20%	142	11%
Worcestershire	45	11%	109	7%
York North Yorkshire and East Riding	122	31%	302	8%
England	3,049	16%	7,732	7%

Base: all H&T establishments and all H&T establishments with vacancies

8.6.2 All UK industries tables

Table 76: All industries skills gap density (staff not proficient / staff), by region

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
East Midlands	*7,253*	6%	*7,269*	4%	*7,179*	5%	*6,801*	4%
East of England	*8,372*	6%	*8,476*	6%	*8,445*	5%	*8,111*	6%
London	*9,925*	6%	*10,371*	6%	*10,630*	5%	*10,269*	3%
North East	*5,529*	6%	*5,614*	5%	*5,642*	6%	*5,195*	5%
North West	*8,735*	6%	*8,763*	5%	*8,631*	5%	*8,263*	5%
South East	*10,592*	6%	*10,730*	6%	*10,685*	5%	*10,155*	4%
South West	*8,377*	6%	*8,511*	5%	*8,493*	4%	*7,992*	5%
West Midlands	*7,851*	5%	*7,914*	5%	*7,879*	5%	*7,483*	4%
Yorkshire and The Humber	*7,522*	5%	*7,607*	5%	*7,545*	5%	*7,258*	4%
England	*74,156*	6%	*75,255*	5%	*75,129*	5%	*71,527*	4%
Northern Ireland	*3,921*	4%	*4,014*	5%	*4,019*	3%	*3,973*	4%
Scotland	*2,487*	5%	*6,014*	6%	*6,035*	5%	*6,017*	5%
Wales	*5,958*	5%	*5,996*	6%	*6,027*	5%	*5,913*	5%
Total UK	*86,522*	6%	*91,279*	5%	*91,210*	5%	*87,430*	4%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

Table 77: All UK industries skills gap density (staff not proficient / staff), by occupation

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
Managers	82,426	3%	87,946	3%	87,590	3%	83,848	2%
Profession-als	16,337	4%	17,407	4%	17,483	3%	19,574	3%
Associate professionals	13,731	5%	12,577	5%	13,309	5%	15,147	4%
Administra-tive / clerical staff	50,656	5%	53,759	5%	53,622	5%	54,285	4%
Skilled trades occupations	20,507	5%	23,644	6%	24,025	6%	22,628	6%
Caring, leisure and other services staff	12,712	5%	14,017	5%	15,310	4%	14,042	4%
Sales and customer services staff	26,739	8%	27,417	8%	25,940	7%	25,465	7%
Machine operatives	13,369	6%	14,059	5%	14,105	7%	14,797	5%
Elementary staff	30,609	8%	32,192	7%	31,970	7%	30,744	6%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

8.8 Training provision: supplementary tables

8.8.1 Hospitality and Tourism specific tables

Table 78: Hospitality and Tourism training density (staff trained in the last twelve months / staff), by region

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
East Midlands	*811*	49%	*781*	61%	*734*	61%	*708*	57%
East of England	*855*	52%	*915*	58%	*854*	64%	*864*	56%
London	*1,240*	59%	*1,230*	61%	*1,260*	71%	*1,218*	70%
North East	*663*	48%	*766*	55%	*870*	61%	*651*	53%
North West	*952*	57%	*991*	61%	*969*	67%	*883*	63%
South East	*1,062*	55%	*1,202*	62%	*1,153*	59%	*1,070*	67%
South West	*1,044*	55%	*997*	63%	*1,027*	65%	*854*	60%
West Midlands	*898*	54%	*853*	54%	*816*	58%	*721*	58%
Yorkshire and The Humber	*888*	55%	*903*	58%	*853*	59%	*763*	57%
England	*8,413*	55%	*8,638*	60%	*8,536*	64%	*7,732*	63%
Northern Ireland	*398*	53%	*439*	55%	*507*	56%	*428*	57%
Scotland	*258*	55%	*668*	56%	*684*	65%	*658*	63%
Wales	*796*	49%	*704*	58%	*749*	61%	*685*	56%
UK	*9,865*	55%	*10,449*	59%	*10,476*	64%	*9,503*	62%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

Table 79: UK Hospitality and Tourism training density (staff trained in the last twelve months / staff), by segment

	2011		2013		2015		2017	
	Unwtd base	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*	*Unwtd base*	*%*
Hotel & related	*1,633*	57%	*1,851*	63%	*1,688*	67%	*1,454*	65%
Restaurant & related	*6,576*	54%	*6,863*	58%	*7,089*	63%	*6,844*	62%
Travel agency	*299*	54%	*388*	55%	*313*	55%	*351*	59%
Sport & recreation	*980*	58%	*938*	69%	*1,015*	66%	*596*	63%
Passenger transport	*70*	56%	*82*	57%	*70*	66%	*39*	73%
Catering	*191*	45%	*144*	41%	*129*	70%	*155*	61%
Event management	*116*	52%	*183*	51%	*172*	55%	*64*	54%
All H&T segments	*9,865*	55%	*10,449*	59%	*10,476*	64%	*9,503*	62%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

8.8.2 All UK industries tables

Table 80: All industries training density (staff trained in the last twelve months / staff), by region

	2011		2013		2015		2017	
	Unwtd base	%	*Unwtd base*	%	*Unwtd base*	%	*Unwtd base*	%
East Midlands	7,253	53%	7,269	66%	7,179	60%	6,801	59%
East of England	8,372	55%	8,476	58%	8,445	64%	8,111	62%
London	9,925	50%	10,371	61%	10,630	60%	10,269	64%
North East	5,529	52%	5,614	60%	5,642	63%	5,195	60%
North West	8,735	56%	8,763	62%	8,631	69%	8,263	64%
South East	10,592	56%	10,730	61%	10,685	61%	10,155	64%
South West	8,377	55%	8,511	65%	8,493	67%	7,992	63%
West Midlands	7,851	53%	7,914	62%	7,879	62%	7,483	58%
Yorkshire and The Humber	7,522	58%	7,607	67%	7,545	60%	7,258	60%
England	74,156	54%	75,255	62%	75,129	63%	71,527	62%
Northern Ireland	3,921	56%	4,014	59%	4,019	64%	3,973	60%
Scotland	2,487	58%	6,014	65%	6,035	62%	6,017	62%
Wales	5,958	56%	5,996	62%	6,027	64%	5,913	58%
UK	86,522	55%	91,279	62%	91,210	63%	87,430	62%

Source: Economic Insight analysis of ESS 2011, 2013, 2015 and 2017.

Base: all establishments

9. Online survey

This chapter contains the questionnaire of the online survey commissioned as part of this study.

9.1 Questionnaire

The following formatting is used in the rest of this document.

[Question number and label] LOGIC

[Question type]

Question text

[Notes / instructions]

1.1 Section P: Profiling

[P0. Intro] ASK ALL

[Text only]

Thank you for participating in this survey. We are working with Government to conduct a survey about recruitment, retention and drivers and barriers of workplace skills. Your co-operation will ensure that the views expressed are representative of employees/employers in your industry.

The survey is **anonymous** and should take no more than 10 minutes to complete. Please note that no responses will be attributable to yourself and will not be shared with your employer. The survey will close on Monday 11th March 2019.

Economic Insight have been commissioned by the Department for Digital, Culture, Media and Sport to undertake this independent study and we adhere to the Market Research Society's (MRS) Code of Conduct. If you would like further information or would like to contact someone about the research, please contact Madeleine Matos on 0207 100 3746 or madeleine.matos@economic-insight.com.

[DCMS, Economic Insight and MRS logo]

Please click next to continue.

[P1. Routing] ASK ALL

[Single code]

For the survey to be most relevant to you and your position within the organisation you work for, please select which one of the following best applies to you:

1. I am an employee and want to answer the survey from my own perspective (for example, why I chose to pursue this job etc.)
2. I am an employer and want to answer the survey from my workplace's perspective (for example, what training the business provides, etc.)

Please note that the survey is completely anonymous, and no individual responses will be shared with your employer.

[P2. Sector] ASK ALL

[Single code]

Which of the following best describes the establishment you work at?

1. Hotel & related
2. Restaurants, pub & related
3. Travel agency / tour operator
4. Sport, recreations &attractions
5. Passenger transport
6. Catering
7. Event management
8. None of the above

[If P1=8 screen out]

[P3. Sub-sectors hotels & related] ASK IF P1=1

[Single code]

Which of the following best describes the hotel & related sectors you work at?

1. Hotels and similar accommodation
2. Holiday and other short stay accommodation
3. Camping grounds, recreational vehicle parks and trailer parks
4. Other accommodation, please specify: [Open text box]

[P4. Sub-sectors restaurants & related] ASK IF P1=2

[Single code]

Which of the following best describes the restaurant & related sectors you work at?

1. Restaurants, pub and mobile food service activities
2. Beverage serving activities
3. Other, please specify: [Open text box]

[P5. Sub-sectors travel agency] ASK IF P1=3

[Single code]

Which of the following best describes the travel agency sector you work at?

1. Travel agency activities
2. Tour operator activities
3. Other reservation service and related activities, please specify: [Open text box]

[P6. Sub-sectors sports & recreation] ASK IF P1=4

[Single code]

Which of the following best describes the sport & recreation sector you work at?

1. Museum activities
2. Operation of historical sites and buildings and similar visitor attractions
3. Botanical and zoological gardens and nature reserve activities
4. Sports activities
4. Activities of amusement parks and theme parks
5. Other amusement and recreation activities, please specify: [Open text box]

[P7. Sub-sectors passenger transport] ASK IF P1=5

[Single code]

Which of the following best describes the passenger transport sector establishment you work at?

1. Passenger rail transport, interurban
2. Urban and suburban passenger land transport
3. Taxi operation
4. Other passenger land transport, please specify: [Open text box]
5. Sea and coastal passenger water transport
6. Inland passenger water transport
7. Passenger air transport
8. Renting and leasing of vehicles and equipment

[P8. Sub-sectors catering] ASK IF P1=6

[Single code]

Which of the following best describes the catering establishment you work at?

1. Event catering activities
2. Other food service activities, please specify: [Open text box]
3. Agents involved in the sale of food, beverages and tobacco

[P9. Sub-sectors event management] ASK IF P1=7

[Single code]

Which of the following best describes the event management sector establishment you work at?

1. Convention and trade organisers
2. Other, please specify: [Open text box]

1.2 A: Firmographics

[A1. Region] ASK ALL

[Single code]

Where do you work?

1. East Midlands
2. East of England
3. London
4. North East
5. North West
6. South East

7. South West
8. West Midlands
9. Yorkshire and the Humber
10. Northern Ireland
11. Wales
12. Scotland
13. I'd prefer not to say

[A2. Organisation size] ASK ALL

[Single code]

Approximately how many people work at your workplace in the UK?

1. Under 10
2. 10-49
3. 50-99
4. 100-249
5. 250-999
6. Over 1,000
7. Don't know

1.3 B: Employee questionnaire [ASK THIS QUESTIONNAIRE IF P1= 1]

1.3.1 Current work situation

[B1. Employment role] ASK ALL

[Single code]

Which of the following best describes your current role?

1. Air transport operative [only show if P2=5]
2. Air travel assistant [only show if P2=5]
3. Bar or pub staff [only show if P2=1, 2 OR 6]
4. Chef [only show if P2=1, 2 OR 6]
5. Chief executive
6. Cleaner [only show if P2=1, 2, 4 OR 6]
7. Cook [only show if P2=1, 2 OR 6]
8. Director
9. Housekeeper [only show if P2=1]
10. Kitchen and catering assistants [only show if P2=1, 2 OR 6]
11. Leisure and theme park attendants [only show if P2=4]
12. Manager
13. Marine and waterways transport operative [only show if P2=5]
14. Receptionist [only show if P2=1]
15. Security guards and related occupations [only show if P2=1, 2 4, 5 OR 6]
16. Sports and leisure assistant [only show if P2=4]
17. Travel agent [only show if P2=3]
18. Waiters and waitresses [only show if P2=1, 2 OR 6]
19. Other, please specify: [Open text box]

1.3.2 Reasons for choosing job / perceptions of sector

[B2. Employment motivation] ASK ALL

[Multi code - ranking]

Which of the following influenced your decision to become a [insert answer from B1] in [insert response from P2] sector? Please rank those that apply in order of importance. Add your own reason(s) if needed.

1. Personal interest
2. Work experience
3. Suggested by family / friends / teacher
4. Well matched to my skills / qualifications
5. Not sure what else to do
6. Seems like an easy job
7. Saw it as the right career choice
8. It fits my lifestyle
9. Financial rewards / pay
10. Wanted a career change [only ask if B5=4]
11. Other reason(s), please specify: [Open text box]
12. None of the above [single code]
13. Don't know [single code]

[B3. Perceptions of sector] ASK ALL

[Multi code]

What were your perceptions of working in [insert response from P1] sector prior to starting your role? Please select all that apply.

1. Labour intensive
2. Creative input
3. Transferable skills
4. Diversity in work carried out
5. You can take on early responsibility
6. Easy to enter into sector
7. Easy to leave sector
8. Great perks: cash (e.g. tips)
9. Great perks: rewards
10. Great people / culture
11. Exciting career
12. Non-permanent, seasonal work
13. Tendency to low wages
14. Salary potential
15. Job satisfaction
16. Not 9-5 / flexible schedule
17. Unsociable working hours
18. Chance to travel
19. Poor or non-existent career structures
20. Informal recruitment practices
21. High levels of labour turnover
22. Lack of advancement and recognition
23. Fast growth and career development opportunities
24. Other, please specify: [Open text box]
25. None of the above [single code]
26. Don't know [single code]

[B4. Perceptions of sector realised] ASK ALL

[Multi code]

How accurate do you consider these perceptions to be, given your work experience? Please tick the appropriate point on the scale.

	Very inaccurate	Inaccurate	Neither accurate not inaccurate	Accurate	Very accurate
[Insert responses from B3 as individual rows]					

[B5. Employment technical skills] ASK ALL

[Multi code]

Which of the following do you consider the most important technical requirements for your role? Please rank those that apply in order of importance. Add your own items(s) if needed.

1. Computer literacy / basic IT skills
2. Advanced or specialist IT skills
3. Solving complex problems requiring a solution specific to the situation
4. Business skills
5. Reading and understanding instructions, guidelines, manuals and reports
6. Writing instructions, guidelines, manuals, reports
7. Basic numerical skills and understanding
8. More complex numerical and statistical skills and understanding
9. Communicating in a foreign language
10. Manual dexterity – for example mend, repair, assemble, construct or adjust things
11. Adapting to new equipment or materials
12. Digital skills
13. Specialist skills or knowledge needed to perform the role, please specify: [Open text box]
14. Strong industry knowledge
15. Other, please specify: [Open text box]
16. None of the above [single code]
17. Don't know [single code]

[B6. Employment technical skills rating] ASK ALL

[Single code]

How confident and knowledgeable do you feel about each of the requirements you mentioned earlier? Please tick the appropriate point on the scale.

	Very unsure	Unsure	Neutral	Confident	Very confident
[List skills ticked at B5]					

[B7. Employment soft skills] ASK ALL

[Multi code an ranking]

Which of the following do you consider the most important people skills for your role? Please rank those that apply in order of importance. Add your own items(s) if needed.

1. Motivation
2. Flexibility
3. Instructing, teaching and training people
4. Sales skills
5. Customer handling skills
6. Persuading or influencing others
7. Team working and working with people
8. Managing or motivating other staff
9. Ability to manage own time and prioritise own tasks

10. Setting objectives for others and planning human, financial and other resources
11. Managing their own feelings, or handling the feelings of others
12. Making speeches or presentations
13. Specialist skills or knowledge needed to perform the role, please specify: [Open text box]
14. Other, please specify: [Open text box]
15. None of the above [single code]
16. Don't know [single code]

[B8. Employment soft skills rating] ASK ALL

[Single code]

How confident and knowledgeable do you feel about each of the skills you mentioned earlier? Please tick the appropriate point on the scale.

	Very unsure	Unsure	Neutral	Confident	Very confident
[List skills ticked at B7]					

1.3.3 Whether workplace provides training etc

[C1. Training] ASK ALL

[Multi code]

Have you undertaken training to improve / develop any of the skills you identified previously? Please select all that apply.

1. I have undertaken training provided by my employer (e.g. at my workplace)
2. I have undertaken an apprenticeship in my current employment
3. I have undertaken training funded by myself (e.g. college courses)
4. No, I haven't undertaken any training [single code]

1.3.4 Reasons for taking training inside / outside organisation

[C2. Training workplace reason] ASK IF C1=1 OR C1=2

[Multi code]

Why have you undertaken training at your workplace? Please select all that apply.

1. It was mandatory
2. It was free
3. I got days off work
4. It helped me improve my skills
5. It helped me improve my prospects of career advancement / chances for promotion
6. It helped me get to know the organisation better
7. It helped me get to know my colleagues better
8. Other, please specify: [Open text box]

9. None of the above [single code]
10. Don't know [single code]

[C3. Training outside workplace reason] ASK IF C1=3

[Multi code]

Why have you undertaken training outside your workplace? Please select all that apply.

1. It helped me improve my skills
2. It helped me acquire new skills
3. It helped my prospects of career progression
4. It was part of my apprenticeship
5. It helped my prospects to move into another sector / career
6. I needed a certificate from a third-party
7. I got days off work / study leave
8. It was mandatory
9. It was free
10. Other, please specify: [Open text box]
11. None of the above [single code]
12. Don't know [single code]

[C4. Training reason not] ASK IF C1=3

[Multi code]

Why have you **not** undertaken any training? Please select all that apply.

1. I only undertake training if it is mandatory
2. I did not have the time
3. I could not afford it
4. I was not interested
5. I do not need to improve my skills
6. I am already overqualified for my current role
7. My role does not require further training
8. Language barriers
9. Health / non-work-related reasons
10. No benefit to training
11. It was not mandatory
12. I had already done similar training previously
13. It has not been offered
14. Other, please specify: [Open text box]
15. None of the above [single code]
16. Don't know [single code]

1.3.5 Main barriers to skills development

[C5. Barriers to skills development: intrinsic] ASK ALL

[Multi code]

Do any of the following statements apply to how you think about skills development? Please select all that apply.

1. Learning is not encouraged by my family / peers
2. I do not know what is available to help me develop my skills

3. I do not know why I need to develop my skills any further
4. I do not feel confident in developing my skills
5. I never get around to it
6. I am not sure that engaging in skills development will lead to the desired outcomes
7. I am worried that I will fail any exams / tests
8. I am too old to learn
9. I do not need to learn anything new
10. I do not have the basic skills required to improve any further
11. I have other personal priorities at the moment
12. Other, please specify: [Open text box]
13. None of the above [single code]
14. Don't know [single code]

[C6. Barriers to skills development: extrinsic] ASK ALL

[Multi code]

What is holding back your skills development? Please select all that apply.

1. Lack of time
2. Cost / lack of financial support
3. Lack of provision of appropriate quality, relevance and content
4. Employer unwilling or unable to resourcetraining or time off
5. Lack of space or resources for work-related training
6. Lack of work culture that encourages skills development
7. Lack of job ownership / autonomy to effectively deploy skills
8. Lack of formal systems for progression / rewarding skills development
9. Inappropriate allocation of skills development opportunities by management
10. Lack of support / advocacy from unions, peers, management
11. Other, please specify: [Open text box]
12. None of the above [single code]
13. Don't know [single code]

1.3.6 Retention

[D0. Reassurance] SHOW ALL

[Text only]

For the following questions we would like to remind you that all your answers are completely anonymous and will not be shared with your employer.

[D1. Retention] ASK ALL

[Single code]

Have you thought about or are actively seeking to change your role / employment?

1. Yes, I have thought about it
2. Yes, I am actively seeking a new role / employer
3. No
4. Don't know

[D2. Thought about moving] ASK IF D1=1

[Single code]

Which of the following best describes what you have thought about in relation to changing your role / employment?

1. I want to change role within the organisation
2. I want to change organisation, but remain in a similar role
3. I want to change organisation and role, in the same sector
4. I want to change organisation and role, in a different sector
5. I am looking for promotion
6. Other, please specify: [Open text box]

[D3. Actively moving] ASK IF D1=2

[Single code]

Which of the following best describes what type of role / employment you are seeking?

1. I want to change role within the organisation
2. I want to change organisation, but remain in a similar role
3. I want to change organisation and role, in the same sector
4. I want to change organisation and role, in a different sector
5. I am looking for promotion
6. Other, please specify: [Open text box]

[D4. Different role – same organisation] ASK IF D2=1 OR D3=1

[Multi code]

Why [if D2=1: are you thinking about changing] [if D3=1 do you want to change] role within your current organisation? Please select all that apply.

1. Natural career progression
2. I want to try out something different
3. I want to be recognised for my work
4. I want to challenge myself
5. I want to earn more money
6. Lifestyle change
7. I like my colleagues
8. I like the organisation
9. Other, please specify: [Open text box]
10. None of the above [single code]
11. Don't know [single code]

[D5. Same role – different organisation] ASK IF D2=2 OR D3=2

[Multi code]

Why [if D2=1: are you thinking about changing] [if D3=1 do you want to change] organisation within a similar role? Please select all that apply.

1. I want to try out something different
2. I have moved to a new house
3. Lifestyle change
4. Poor relationship with staff and managers
5. I do not like the organisation
6. My current employer is going out of business
7. My current employer does not recognise my work
8. My current employer does not challenge me
9. My current employer does not offer career progression

10. My current employer does not offer training opportunities
11. Other, please specify: [Open text box]
12. None of the above [single code]
13. Don't know [single code]

[D6. Different role – different organisation: same sector] ASK IF D2=3 OR D3=3

[Multi code]

Why [if D2=1: are you thinking about changing] [if D3=1 do you want to change] role and organisation, within the [insert response from P1] sector?

1. I want to try out something different
2. I have moved to a new house
3. Lifestyle change
4. Poor relationship with staff and managers
5. I do not like the organisation
6. My current employer does not recognise my work
7. My current employer does not challenge me
8. My current employer does not offer career progression
9. My current employer does not offer training opportunities
10. I need more sociable hours
11. Other, please specify: [Open text box]
12. None of the above [single code]
13. Don't know [single code]

[D7. Different role – different organisation: different sector] ASK IF D2=4 OR D3=4

[Multi code]

Why [if D2=1: are you thinking about changing] [if D3=1 do you want to change] role, organisation and the [insert response from P1] sector?

1. Poor relationship with staff and managers
2. I want to try out something different
3. I want more stable working hours
4. I want a more stable income
5. I have moved to a new house
6. Lifestyle change
7. I have retrained
8. I do not like the organisation
9. I do not like the sector
10. My current employer does not recognise my work
11. My current employer does not challenge me
12. My current employer does not offer career progression
13. My current employer does not offer training opportunities
14. Other, please specify: [Open text box]
15. None of the above [single code]
16. Don't know [single code]

1.3.7 About you

[F0. Demographics] ASK ALL

[Text only]

We are keen to ensure that the views collected are representative for all parts of the community. To help us understand if this is the case, we would like to ask you a few personal questions. All answers will be treated in the strictest confidence and you have the right not to answer any question you do not wish to.

[F1. Gender] ASK ALL

[Single code]

Which of the following best describes how you think of yourself?

1. Male
2. Female
3. In another way, please specify: [Open text box]
4. I'd prefer not to say

[F2. Age] ASK ALL

[Single code]

How old are you?

1. 16-24
2. 25-34
3. 35-44
4. 45-54
5. 55-64
6. 65-74
7. 75-84
8. 85 and over
9. I'd prefer not to say

[F3. Ethnic background] ASK ALL

[Single code]

Which of the following best describes your ethnic background?

1. White: English / Welsh / Scottish / Northern Irish / British
2. White: Irish
3. White: Gypsy, Irish Traveller or Roma
4. White: Other white background, please specify: [Open text box]
5. Mixed: White and Black Caribbean
6. Mixed: White and Black African
7. Mixed: White and Asian
8. Mixed: Other mixed background, please specify: [Open text box]
9. Black / African / Caribbean or Black British: Caribbean
10. Black / African / Caribbean or Black British: African
11. Black / African / Caribbean or Black British: Other Black / African / Caribbean or Black British background, please specify: [Open text box]
12. Asian or Asian British: Indian
13. Asian or Asian British: Pakistani
14. Asian or Asian British: Bangladeshi
15. Asian or Asian British: Chinese
16. Asian or Asian British: Other Asian or Asian British background, please specify: [Open text box]
17. Other ethnic background: Arab

18. Other ethnic background: Other ethnic background, please specify: [Open text box]
19. I'd prefer not to say

[F4. Employment status] ASK ALL

[Single code]

Which of the following best describes your current employment contract?

1. Full-time permanent contract
2. Part-time contract
3. Fixed-term contract
4. Contracting / agency work
5. Zero-hours contract
6. Casual work contract
7. Other, please specify: [Open text box]

[F5. Personal income] ASK ALL

[Single code]

Roughly, what is your personal **annual** income before any deductions such as income tax or National Insurance?

1. Under £10,000
2. £10,000 - £14,999
3. £15,000 - £19,999
4. £20,000 - £24,999
5. £25,000 - £29,999
6. £30,000 - £34,999
7. £35,000 - £39,999
8. £40,000 - £44,999
9. £45,000 - £49,999
10. £50,000 - £74,999
11. More than £75,000
12. Don't know
13. I'd prefer not to say

[F6. Education] ASK ALL

[Single code]

What is your highest qualification?

1. A degree, equivalent or above
2. A level or equivalent
3. O level or GCE or GCSE equivalent
4. Trade apprenticeships or equivalent
5. Another qualification, please specify: [Open text box]
6. None of the above
7. I'd prefer not to say

1.4 C: Employer questionnaire [ASK THIS QUESTIONNAIRE IF P1=2]

[E1. Role] ASK ALL

[Single code]

Which of the following best describes your current role?

1. Chief executive
2. Director
3. Manager
4. Other, please specify: [Open text box]

[E2. HR-training responsibilities] ASK ALL

[Multi code]

Are you responsible for overseeing HR functions / employees' training requirements?

1. Yes, I am the HR manager
2. Yes, I oversee the training curriculum
3. No, but I have a good understanding of both [single code]
4. Other, please specify: [Open text box]

1.4.1 Recruitment

[E3. Roles] ASK ALL

[Multi code]

Which of the following roles are you currently recruiting for? Please select all that apply

1. Air transport operative [only show if P2=5]
2. Air travel assistant [only show if P2=5]
3. Bar staff
4. Chef
5. Chief executive
6. Cleaner
7. Cook
8. Director
9. Housekeeper
10. Kitchen and catering assistants
11. Leisure and theme park attendants
12. Manager
13. Marine and waterways transport operative [only show if P2=5]
14. Receptionist
15. Security guards and related occupations
16. Sports and leisure assistant
17. Travel agent
18. Waiters and waitresses/ front of or back of house
19. Other, please specify: [Open text box]

[E4. Roles - qualifications] ASK ALL

[Multi code]

Broadly for the roles you selected previously, what qualifications do you look for in applicants? Please select all that apply.

1. A degree equivalent or above
2. A level or equivalent
3. level or GCE or GCSE equivalent
4. Trade apprenticeships or equivalent
5. Another qualification, please specify: [Open text box]
6. No qualifications required
7. Don't know [single code]

[E5. Roles – technical skills] ASK ALL

[Multi code and ranking]

Broadly for the roles you selected previously, what technical skills do you look for in applicants? Please select all that apply and rank them in order of importance to your organisation.

1. Computer literacy / basic IT skills
2. Advanced or specialist IT skills
3. Solving complex problems requiring a solution specific to the situation
4. Reading and understanding instructions, guidelines, manuals and reports
5. Writing instructions, guidelines, manuals, reports
6. Basic numerical skills and understanding
7. More complex numerical and statistical skills and understanding
8. Communicating in a foreign language
9. Manual dexterity – for example mend, repair, assemble, construct or adjust things
10. Adapting to new equipment or materials
11. Digital skills
12. Specialist skills or knowledge needed to perform the role, please specify: [Open text box]
13. Strong industry knowledge
14. Other, please specify: [Open text box]
15. None of the above [single code]
16. Don't know [single code]

[E6. Roles – technical skills shortages] ASK IF E5=1-14

[Ranking]

Which of these technical skills do you find most difficult to recruit people with? Please rank the technical skills you selected previously by most difficult to obtain to least difficult to obtain.

[Show options selected at E5 as answers and allow respondents to rank them in order of importance.]

[E7. Roles – soft skills] ASK ALL

[Multi code and ranking]

Broadly for the roles you selected previously, what soft skills do you look for in applicants? Please select all that apply and rank them in order of importance to your organisation.

1. Motivation
2. Flexibility
3. Instructing, teaching and training people

4. Sales skills
5. Customer handling skills
6. Persuading or influencing others
7. Team working
8. Managing or motivating other staff
9. Ability to manage own time and prioritise own tasks
10. Setting objectives for others and planning human, financial and other resources
11. Managing their own feelings, or handling the feelings of others
12. Making speeches or presentations
13. Specialist skills or knowledge needed to perform the role, please specify: [Open text box]
14. Other, please specify: [Open text box]
15. None of the above [single code]
16. Don't know [single code]

[E8. Roles – soft skills new joiners] ASK IF E7=1-14

[Ranking]

Which of these soft skills do you find most difficult to recruit people with? Please rank the soft skills you selected previously by most difficult to obtain to least difficult to obtain.

[Show options selected at E7 as answers and allow respondents to rank them in order of importance.]

[E9 Pay – new joiners] ASK ALL

[Single code]

Have you started offering higher starting salaries for roles that you have been finding hard to fill?

1. Yes
2. No
3. Don't know [single code]

[E10. Pay – new joiners no increase] ASK IF E12=2

[Single code]

Why have you not increased the starting salary for hard to fill vacancies?

1. Already offer higher than average starting salary
2. Cannot afford it
3. No need
4. Other, please specify: [Open text box]
5. Don't know

1.4.2 Retention

[E11. Skills development] ASK ALL

[Multi code]

Do you provide any skills development activities for your employees? Please select all that apply.

1. Mentoring

2. Training
3. Attending industry conferences
4. Supporting further education (e.g. paying for a degree / providing study leave)
5. Supporting apprenticeship
6. Supporting vocational training
7. Supporting undergraduate degree
8. Supporting postgraduate degree
9. Flexi-time / work from home
10. Supporting specialist training, please specify: [Open text box]
11. Other, please specify: [Open text box]
12. None of the above [single code]
13. Don't know [single code]

[E12. Training opportunities] ASK ALL

[Open text box]

What would incentivise you to offer greater training opportunities?

[Open text box]

[E13. Career development] ASK ALL

[Multi code]

Do you provide your employees with incentives for career progression / development? Please select all that apply.

1. Promotion for great performance
2. Employee of the month awards
3. Verbal recognition
4. Written recognition
5. Financial incentives (e.g. commission, bonus)
6. Regular performance appraisals
7. Other, please specify: [Open text box]
8. None of the above [single code]
9. Don't know [single code]

[E14. Career development incentives] ASK ALL

[Open text box]

What would motivate your organisation to offer incentives to your employees?

[Open text box]

[E15. Pay – current employees] ASK ALL

[Single code]

Have you increased salaries for your current employees in the last twelve months?

1. Yes
2. No
3. Don't know

[E16. Pay – current employees increase] ASK IF E15=1

[Single code]

Roughly, by what percentage have you increased your employees' annual salaries before any deductions such as income tax or National Insurance in the last twelve months?

1. Less than 0.5%
2. 0.5% - 1.5%
3. 1.5% - 2.5%
4. More than 2.5%
5. In line with NLW/NMW requirements
6. Exact percentage increase, please specify: [Open text box]
7. Don't know

[E17. Pay – current employees no increase] ASK IF E15=2

[Single code]

Why have you not increased salaries for your current employees in the last year?

1. Already offer higher than average salary
2. Cannot afford it
3. No need
4. Other, please specify: [Open text box]
5. Don't know

1.4.3 Churn

[E18. Employee churn] ASK ALL

[Single code]

Could you please give us your best estimate of the level of annual staff turnover as a proportion of total staff?

1. Over 50% every year30% - 50% every year
2. 10 – 30% every year
3. Less than 10% every year
4. Don't know

[E19. Employee churn reasons] ASK ALL

[Multi code and ranking]

What reasons have staff provided for leaving the organisation in the last twelve months? Please select all that apply and rank them by the most frequently cited reasons.

1. Staff have left the country
2. Staff want to try out something different
3. Staff want more stable working hours
4. Staff want a more stable income
5. Staff have moved to a new house
6. Lifestyle change
7. Staff have retrained
8. Poor relationship with staff and management
9. Poor relationship with customers
10. Staff do not like the organisation
11. Staff do not like the sector
12. Staff do not feel recognised for their work

13. Staff do not feel challenged
14. Staff do not feel company offers career progression
15. Staff do not receive training opportunities
16. Other, please specify: [Open text box]
17. None of the above [single code]
18. Don't know [single code]

1.4.4 Future skills

[E20. Future technical skills] ASK ALL

[Open text box]

How do you envisage your requirements for and the availability of technical skills of your workforce changing over the next 5-10 years?

[E21. Future soft skills] ASK ALL

[Open text box]

How do you envisage your requirements for and the availability of soft skills of your workforce changing over the next 5-10 years.

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