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Financial Fairness Trust

ReWAGE

Evidence Paper

Work, wages and employment in the UK's hospitality sector

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1. Introduction

Hospitality matters to the UK and its devolved nations in economic, regional development and, above all, employment terms. As the report of the *UK Hospitality Workforce Commission 2030* notes, (pre-COVID) hospitality employed 3.2 million people, produced £130 billion of economic activity and generated £39 billion in taxation for the UK Government.¹ It was also the third largest private sector employer in the UK, representing 10% of UK employment. In addition, hospitality was the largest sub-sector of the tourism industry, employing around three-quarters of its total workforce. As such, it contributes significantly to making the UK an important destination for leisure and business. What is also striking about the sector is that it is one of the few industries that delivers jobs in every constituency in the UK.

At the same time, the hospitality industry in the UK (and worldwide) faces significant and endemic structural and institutional challenges that relate to, *inter alia*, the demographic and skills profile of its workforce, levels of remuneration, workplace conditions, job security, recruitment and retention and skills development, all of which are reflected in the overall working experience of those employed in the sector in the UK.² It is also a sector that is currently facing crisis-level staffing shortages with concerted efforts by the industry to address this challenge.³ Hospitality is widely recognised as a sector that offers precarious employment through a range of non-standard (including zero hours), fractional and non-contract employment relationships, characteristics that have been exacerbated but not directly caused over the past three years by the impact of the COVID-19 pandemic on the industry.⁴ Addressing these issues in order to affect change has vexed labour market policy and hospitality and tourism industry stakeholders for many years with little evidence of analysis and

¹ UK Hospitality (2018) *UK Hospitality Workforce Commission 2030 report: The changing face of hospitality*, <https://www.youthemployment.org.uk/dev/wp-content/uploads/2018/09/UK-Hospitality-Workforce-Commission-2030.pdf>

² National Institute of Economic and Social Research (NIESR)/Fair Work Convention (2023) *A qualitative investigation into the experiences of workers in the hospitality sector in Scotland*, <https://www.fairworkconvention.scot/wp-content/uploads/2023/01/A-qualitative-investigation-into-the-experiences-of-workers-in-the-hospitality-sector-in-Scotland.pdf>

³ UK Hospitality (2022) *The UK's hospitality workforce strategy: Fixing the crisis*, <https://cdn.ymaws.com/www.ukhospitality.org.uk/resource/resmgr/2022/documents/campaigns/workforcestrategy/ukhworkforcestrategy.pdf>

⁴ Baum, T., Mooney, S., Robinson, R. and Solnet, D. (2020) COVID-19's impact on the hospitality workforce – new crisis or amplification of the norm? *International Journal of Contemporary Hospitality Management*, 32 (9): 2813-2829.

outcomes that contribute new insights in the discourse rather highlighting fundamental stasis or stagnation in analysis and recommendations.⁵

Hospitality employment in the UK has long faced and continues to experience a range of issues, arguably ‘wicked’ and paradoxical in their manifestation. A series of investigations at national and regional level over the past 25 years, led by government agencies and industry bodies (most recently, that of UK Hospitality) have addressed these issues and proposed remedies/ pathways to resolution without discernible evidence of real progress or change. The challenge for this report is to identify new ways to address these problems that can be adopted by all stakeholders and offer a sustainable basis for change. This challenge represents the basis of the ‘problem statement’ which this paper seeks to address – what policies and practical measures can a coalition of key stakeholders take to effect real change to employment in the hospitality sector in order to ensure a prosperous future for the industry and its workforce?

This evidence paper draws on a number of sources which can broadly be described as pre-pandemic, during-pandemic and post-pandemic. Much of the definitive data that can be used to establish trends relating to hospitality employment falls, inevitably, into the first category and runs up to early 2020, highlighting growth in sector employment, on-going vacancy levels and the early impact of Brexit on the availability of both seasonal and permanent workers from EU countries. Data from the core pandemic period is more fragmented and more difficult to use as the basis for definitive assessment of the longer-term impact of COVID-19 on hospitality work. The same is true of emergent post-pandemic data from which only limited inferences about fundamental changes to hospitality work and employment can, as yet, be drawn.

In this report, we assess available published data pertaining to hospitality employment in the UK and the devolved nations. Further, we have extracted and analysed available data sources in order to focus on two specific dimensions of hospitality employment, the extent and nature of in-work poverty within the industry’s workforce and the nature and pattern of job vacancies in the pandemic and post-pandemic periods.

2. Hospitality as a ‘sector’

In assessing available evidence relating to hospitality employment in the UK, it is important to be mindful of both definitional ambiguity relating to the sector and to the quality of data that is available to inform policy and practice.

In formal occupational classifications, notably Office for National Statistics (ONS) data, hospitality does not appear as a discrete sector and aggregation requires somewhat speculative extraction from a number of different groupings within the UK’s Standard Occupational Classification (SOC) as employed by ONS (Table 1) to arrive at the following work areas that include jobs which can be located within hospitality. However, many of the SOC groups fall outside of what might reasonably be seen as exclusively hospitality (for example, receptionists or human resource administrators) while other jobs, not included here, may also be located in what are clearly hospitality organisations (security guards, gardeners, for example).

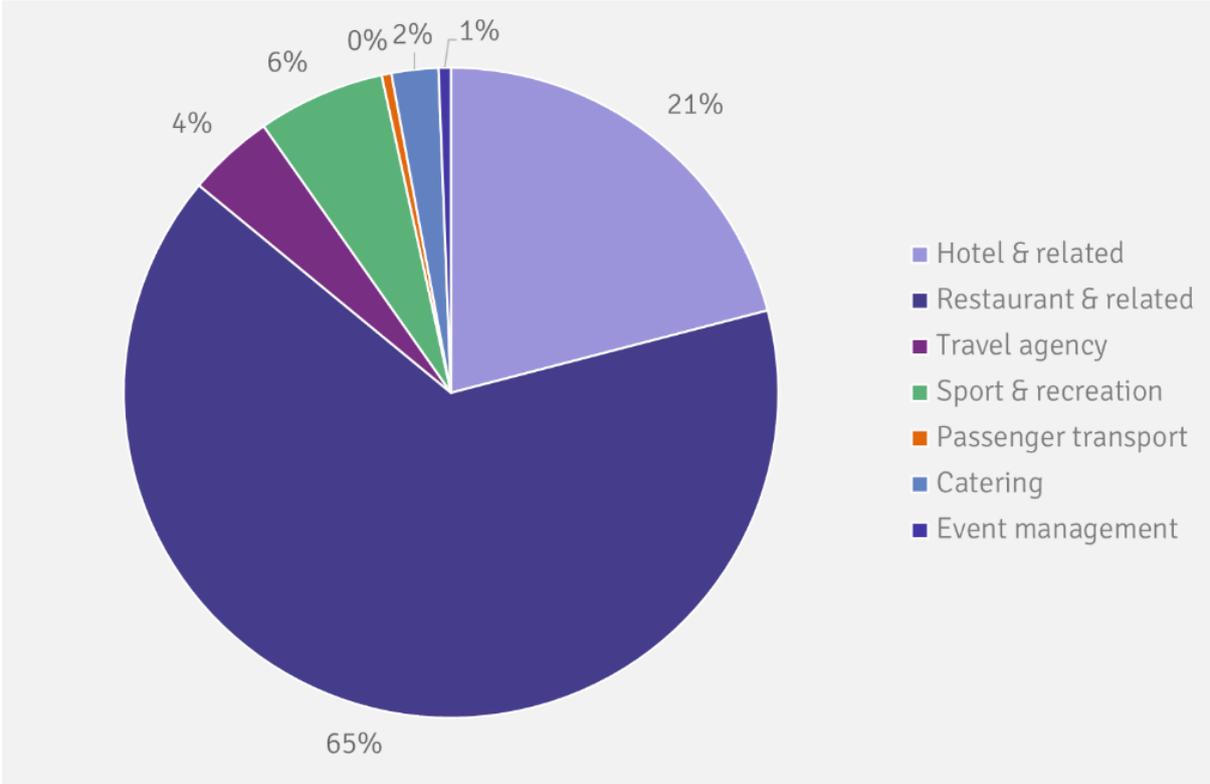
⁵ Solnet, D., [Nickson, D.](#), Robinson, R.N.S., Kralj, A. & [Baum, T.](#) (2014) Discourse about workforce development in tourism – an analysis of public policy, planning and implementation: Hot air or making a difference? *Tourism Analysis*, 19(5): 609-623.

Table 1: SOC occupations relating to hospitality employment

1221: Hotel and accommodation managers and proprietors
1222: Restaurant and catering establishment managers and proprietors
1224: Leisure and sports managers
3557: Events and exhibition managers and organisers
4122: Book-keepers, payroll managers and wages clerks
4136: Human resources administrative occupations
4159: Other administrative occupations
4216: Receptionists
5432: Bakers and flour confectioners
5434: Chefs
5435: Cooks
5436: Catering and bar managers
6211: Sports and leisure assistants
6219: Leisure and travel service occupations
6231: Housekeepers and related occupations
6240: Cleaning and housekeeping managers and supervisors
7212: Telephonists
7220: Customer service supervisors
9263: Kitchen and catering assistants
9264: Waiters and waitresses
9265: Bar staff

The hospitality industry is frequently co-joined with tourism (a sector which in itself has similar imprecise definitional issues) in reporting data about wider economic and employment trends, and disaggregation of the two industries is difficult. Many sources refer collectively to the Hospitality and Tourism (H&T) industry, although hospitality employment accounts for the vast majority of jobs in this loosely bounded sector. Figure 1 identifies the breakdown of jobs in H&T according to sub-sector.

Figure 1: Proportion of UK Hospitality and Tourism workforce that works in each segment, 2017



Source: Department for Digital, Culture, Media and Sport (2019).

Hospitality operations are also hugely diverse, both in terms of the sub-sectors that might be included (including hotels, restaurants, cafes, fast food operations, catering, bars, events venues, food delivery services) and in their scale, where businesses range from the micro through to very large, multinationals with multiple outlets. Such diversity has direct consequences for what employees do and the skills that are required, even though the job titles may be the same across the industry.

Finally, it is important to recognise that precariousness does not only affect the livelihoods of the hospitality workforce. Hospitality businesses, especially within the predominantly SME sub-sector (restaurants, cafes and similar) have both relatively high rates of birth and closure, which contribute to levels of labour vulnerability and turnover that are in excess of many other industries in the UK, see Table 2 below.

Table 2: Business births and deaths by sector, 2020⁶

	Counts given to the nearest thousand				
	Active		Births		Deaths
	Count	Count	Rate (%)	Count	Rate (%)
Production	174	16	9.3	14	8.3
Construction	405	45	11.1	36	9.0
Motor trades	85	8	9.1	6	7.0
Wholesale	119	14	12.0	9	8.0
Retail	243	36	14.7	24	9.9
Transport and storage (inc. postal)	161	38	23.4	24	14.7
Accommodation and food services	189	26	13.9	22	11.4
Information and communication	258	24	9.4	33	12.8
Finance and insurance	47	5	10.5	5	11.6
Property	134	15	11.3	12	9.0
Professional; scientific and technical	531	54	10.2	60	11.3
Business administration and support services	305	48	15.6	43	14.1
Education	46	5	9.8	4	8.4
Health	115	9	8.2	8	7.2
Arts; entertainment; recreation and other services	192	15	7.8	15	7.8
Total	3,003	358	11.9	316	10.5

Source: Office for National Statistics – Inter-Departmental Business Register

Assessing evidence relating to hospitality employment and the sector's workforce, must take cognisance of these considerations.

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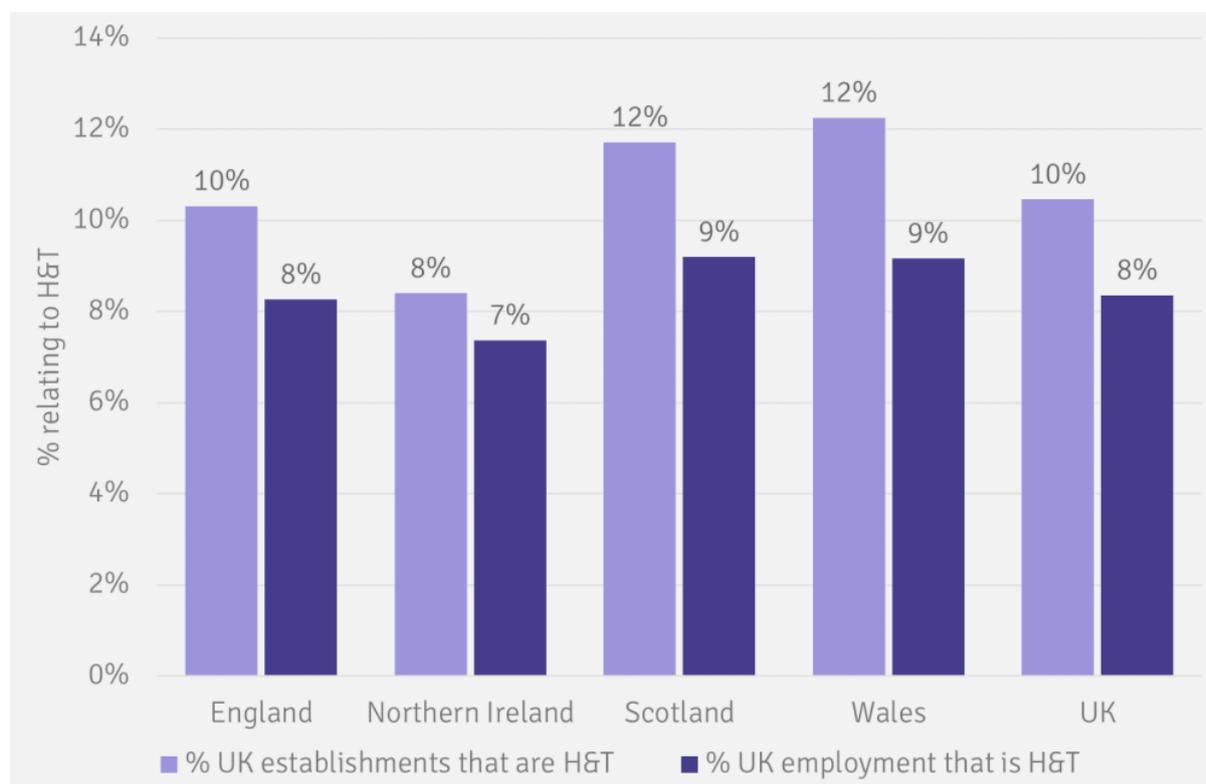
<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/businessdemography/2020#industries-with-the-highest-business-births-and-deaths-rates>

3. The Pre-COVID (2019) picture

The Department for Digital, Culture, Media and Sport's (2019) *Hospitality and Tourism workforce Landscape* provides a wide-ranging summary of what the pre-pandemic 'normal' looked like across a range of dimensions.

Pre-COVID, between 8-10% of the UK workforce was employed in the H&T sector. However, this figure varied on a national and regional basis, as indicated in Figures 2 and Table 3.

Figure 2: Proportion of UK establishments / workforce that are Hospitality and Tourism, by region, 2017



Source: Department for Digital, Culture, Media and Sport (2019).

Table 3: Hospitality and Tourism employment in the UK by nation and region

	2017 ('000s)	% of UK hospitality	% of regional employment	Rank amongst 20 broad industry groups
North East	125	4	11	3
North West	360	11	10	3
Yorks & Humber	210	7	8	6
East Midlands	226	7	9	4
West Midlands	241	8	8	6
East of England	246	8	8	7

London	568	18	10	5
South East	390	12	8	5
South West	311	10	11	3
Wales	174	5	11	3
Scotland	275	9	10	3
N Ireland	73	2	8	5
Total UK	3,198	100	9	3

Source: UK Hospitality (2018).⁷

Around 86% of the H&T workforce were employed in a restaurant-, pub- or hotel-related business. Furthermore, 45% of the H&T workforce were employed in roles where staff behaviours (rather than high technical competence) make the crucial difference to a positive customer experience. These roles include bar staff, waiters and waitresses, and kitchen porters. This proportion is relatively high compared to other all UK industries; and H&T has significantly more roles that are (perhaps) pejoratively labelled as 'elementary' than average, as defined by the ONS (Table 4). Indeed, the use of 'elementary' in this context contributes to a wider social and political narrative that represents a devaluation of "soft skills" in interactive types of customer service occupations in a manner which, arguably, shows misunderstanding of the importance of such skills in the sector and disrespect of those who train to acquire them.⁸

Table 4: Breakdown of occupations in Hospitality and Tourism, 2016

SOC group	% of employment in the sector
Elementary occupations	42%
Skilled trade occupations	16%
Managers, directors and senior officials	14%
Administrative and secretarial occupations	7%
Associate professional and technical occupations	7%
Caring, leisure and other service occupations	6%
Sales and customer service	5%
Process, plant and machine operatives	2%
Professional occupations	2%

Source: People 1st (2016, p.2).

This occupational breakdown is salutary in comparison with other sectors, as illustrated in Table 5 which emphasises the high reliance on 'elementary occupations' in H&T.

⁷ UK Hospitality Workforce Commission 2030 report (2018, p4).

⁸ Warhurst, C., Tilly, C. and Gatta, M. (2017) 'A New Social Construction of Skill' in C. Warhurst, K. Mayhew, D. Finegold and J. Buchanan (eds) Oxford Handbook of Skills and Training, Oxford: Oxford University Press.

Table 5: Occupations in H&T compared to UK industry average

Roles as defined by ONS	UK Hospitality and Tourism (%)	UK all industries (%)	Difference
Managers	18	17	+2
Professionals	1	13	-11
Associate professionals	2	7	-5
Administrative/ clerical staff	5	13	-8
Skilled trades occupations	10	7	+3
Caring, leisure and other service staff	2	9	-7
Sales and customer service staff	14	13	+1
Machine operatives	2	8	-6
Elementary staff	45	14	+32

Source: Department for Digital, Culture, Media and Sport (2019, p.15).

Significantly, this reliance on ‘elementary staff’ in operational, frontline roles in hospitality mitigated against adoption of alternative working models during the pandemic (i.e., working from home) and, subsequently, has limited the scope for the increased opportunities for work flexibility which other sectors have been able to leverage in order to attract recruits.

In comparison with other UK industries, prior to the pandemic the H&T sector faced the challenge of a high number of job vacancies, as a proportion of total jobs (6%, compared to 4% across all UK industries) and a consequent skills gap that was higher than the economy as a whole at 18% (compared to 14%). Such problems point to structural recruitment issues that pre-date the current recruitment and retention crisis that is faced by the H&T sector. People 1st add granularity to the pre-pandemic recruitment issues faced by H&T by noting that, while H&T had a lower external skills deficit (17% vs 23%) than all other sectors, there are certain job types, such as skilled trades (e.g. chefs), for which the proportion of vacancies that were hard to fill because the skills are challenging to find is above the sector average (39% vs 17% respectively).⁹ This problem remains today and has been further exacerbated by the impact of post-Brexit measures with regard to EU immigration to the UK.

Furthermore, within H&T businesses, there is also a higher internal skills deficit compared to the UK average (7% vs 4%), suggesting a sustained lack of investment in critical skills development by the industry which are attributable to a wide range of external and internal factors even though the level of training in H&T is on par with other industries. In terms of both internal and external skills deficits, People 1st identify

⁹ Sumption, M. and Fernandez Reino, M. (2018) Exploiting the Opportunity: Migrants in Low-skilled Work after Brexit, Oxford Migration Observatory, University of Oxford.

that H&T employers' biggest challenges are deficits with respect to operational, and management and leadership skills.¹⁰

Place also matters for H&T, particularly in relation to peripheral locations and its recruitment problems undermine the resilience of rural economies. Sparsely populated areas of the UK that have relied on a thriving seasonal hospitality industry will not necessarily be able to replace that activity with something else if the hospitality industry declines. Hospitality makes up a higher share of businesses and of employment in some types of localities, particularly villages, towns and cities located within wider areas that are sparsely populated. For example, in 2019/20, 14.6% of businesses in towns and cities located in sparsely populated regions in England were in hospitality, compared to 6.4% for England as a whole. At the same time, key issues outside of the immediate workplace are of major concern in such locations, notably accommodation availability and costs as well as access to local safe transport in an industry that does not keep regular business hours.

4. Demographic profile of the H&T workforce

H&T is widely recognised as an industry where the workforce demographic profile is located at the intersection of multiple disadvantage and exclusion. It is widely recognised as an industry that is highly dependent on youth, in terms of both its image branding and operational demands and this is clearly demonstrated in People 1st data for 2016, see Table 6 below.¹¹

Table 6: Age profile of the H&T workforce compared to the entire economy

Age Bands	Hospitality and Tourism	Entire Economy
16-29	46%	24%
30-49	35%	46%
50-59	13%	21%
Over 60	6%	9%

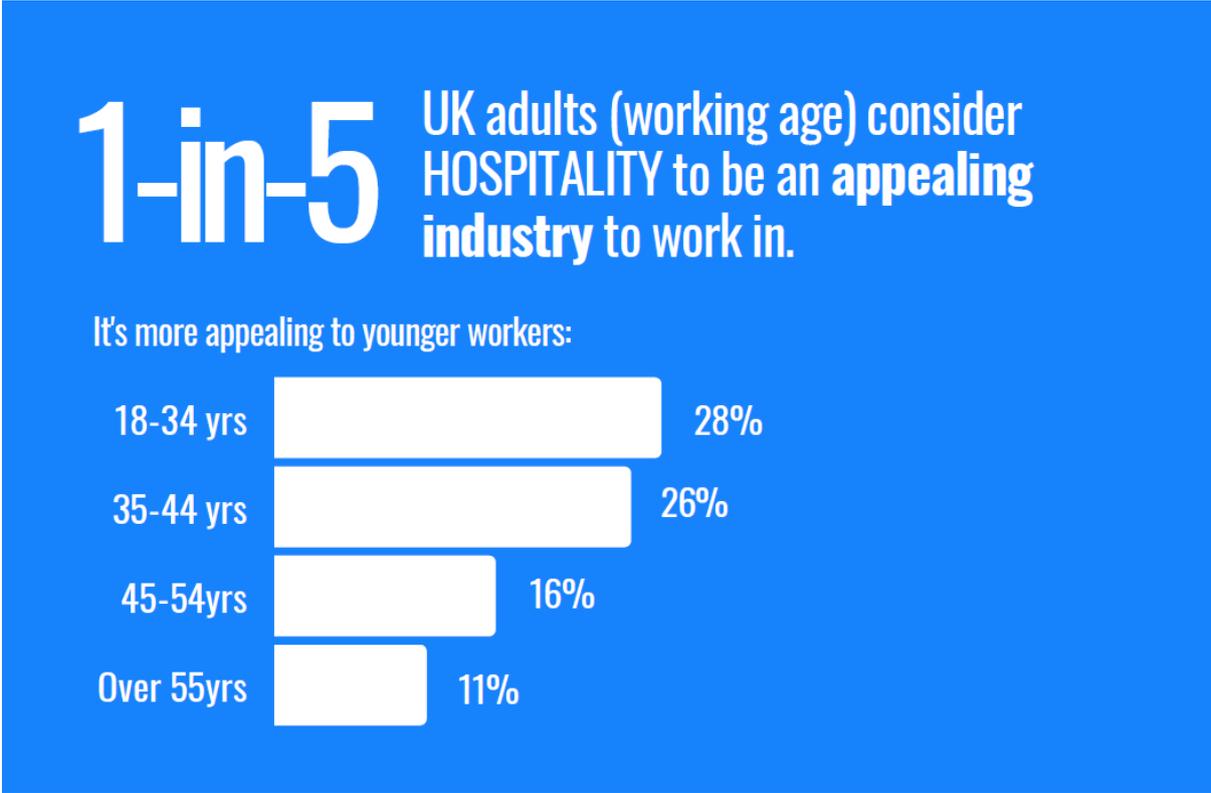
Source: People 1st (2016, p.3).

Hospitality, however, does face a challenge in appealing to potential employees of all ages, with low approval ratings across all age groups. Figure 3 highlights the age-related decline in appeal.

¹⁰ People 1st (2016) *Skills and workforce profile: Hospitality and Tourism*, <https://www.people1st.co.uk/getattachment/Insight-opinion/Latest-insights/Industry-profiles/Hospitality-tourism-skills-and-workforce-profile-2016.pdf?lang=en-GB>

¹¹ Robinson, R. N. S., Baum, T., Golubvskaya, M., Solnet, D. J., and Callan, V. (2019). Applying endosymbiosis theory: tourism and its young workers. *Annals of Tourism Research*, 78, <https://doi.org/10.1016/j.annals.2019.102751>

Figure 3: Proportion of the UK population who see hospitality as an appealing industry in which to work



Source: KAM(n/d.).

Perceptions of work in the sector are clearly negatively skewed with responses to a KAM (n.d.) (see Figure 4 below) study highlighting aspects of working hours as the key influencer in this regard.¹² What is noteworthy here is that flexible and irregular hours may be perceived as a relative advantage or disadvantage according to the profile of the workforce (younger workers looking for flexible hours versus older employees who may be focused on more security and regularity).

¹² KAM Media (n.d.) *Choose Hospitality. The current perception of hospitality as a career choice*, https://cdn.ymaws.com/www.ukhospitality.org.uk/resource/resmgr/membership/supplier_own_material/kam_hospitality_as_a_career.pdf

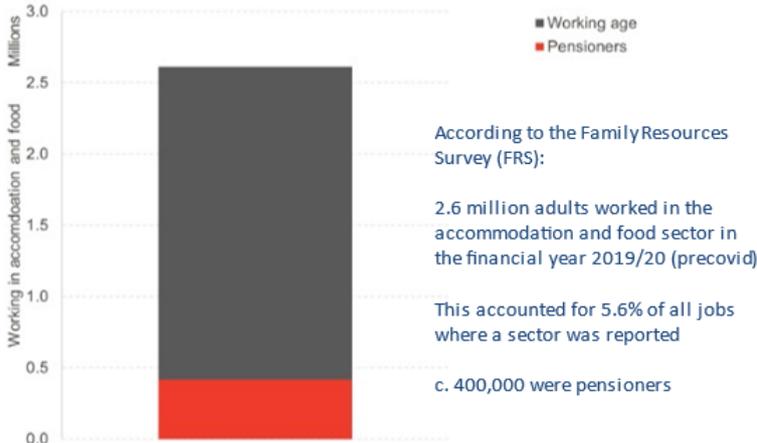
Figure 4: Perceptions of hospitality as a career



Source: KAM (n.d.).

While H&T is rightly described as an industry of youth, with 44% of the workforce aged 34 or under, it is also important to note significant representation of an older demographic with approximately 400,000 employees of state pension age in the UK working in an industry that is frequently demanding in physical terms and anti-social in its temporal demands, see Figure 5 below.

Figure 5: Number working in accommodation and food, including self-employment in 2019-20



Source: Family Resources Survey in Fraser of Allander Institute (2022).

There is a similar over-representation of relatively disadvantaged groups with regard to both gender where women were over-represented compared to the economy as a whole (51% to 47%) and migrant workers (24% in H&T compared to 16% in the economy as a whole).¹³ In terms of ethnicity, a similar picture exists with 17% of the hospitality workforce from BAME backgrounds compared to 12% in the economy as a whole, although the experiences of different ethnic groups does vary significantly. Employees of Bangladeshi origin are the most disadvantaged and those of Indian background are above the H&T average against economic and status/responsibility indicators.¹⁴ Representation figures relating to youth, women, migrant workers and ethnic minorities within the H&T workforce does not tell the full story in that they do not reflect either job status or opportunity. There is also historic under-representation of women in senior positions in the UK’s hospitality industry.¹⁵ And evidence that on average women hold jobs of a lower quality than men, with the gap being more pronounced in feminised lower skilled jobs.¹⁶ Similarly, Be Inclusive Hospitality note that 42% of mixed race hospitality professionals felt their race/ethnicity has hindered their career progression, while 56% of Asian hospitality professionals and 41% of Black hospitality professionals felt the same. Just 7% of White hospitality professionals felt their race/ethnicity had hindered their career progression.¹⁷ In terms of the hiring of

¹³ People 1st (2016) *Skills and workforce profile: Hospitality and Tourism*, <https://www.people1st.co.uk/getattachment/Insight-opinion/Latest-insights/Industry-profiles/Hospitality-tourism-skills-and-workforce-profile-2016.pdf/?lang=en-GB>

¹⁴ Resolution Foundation (2021) *Low Pay Britain*, <https://www.resolutionfoundation.org/app/uploads/2021/06/Low-Pay-Britain-2021.pdf>

¹⁵ Calinaud, V., Kokkranikal, J. and Gebbels, M. (2021) Career Advancement for Women in the British Hospitality Industry: The Enabling Factors, *Work, Employment and Society*, 35(4), 677–695

¹⁶ Santero-Sanchez, R., Segovia-Pérez, M., Castro-Nuñez, B., Figueroa-Domecq, C., and Talón-Ballesteros, P. (2015). Gender differences in the hospitality industry: A Job quality index, *Tourism Management*, (51), 234-246.

¹⁷ Be Inclusive Hospitality (2022) *Impact Report 2020-22*, <https://bihospitality.co.uk/wp-content/uploads/2023/01/Impact-Report-100123-Compressed.pdf>

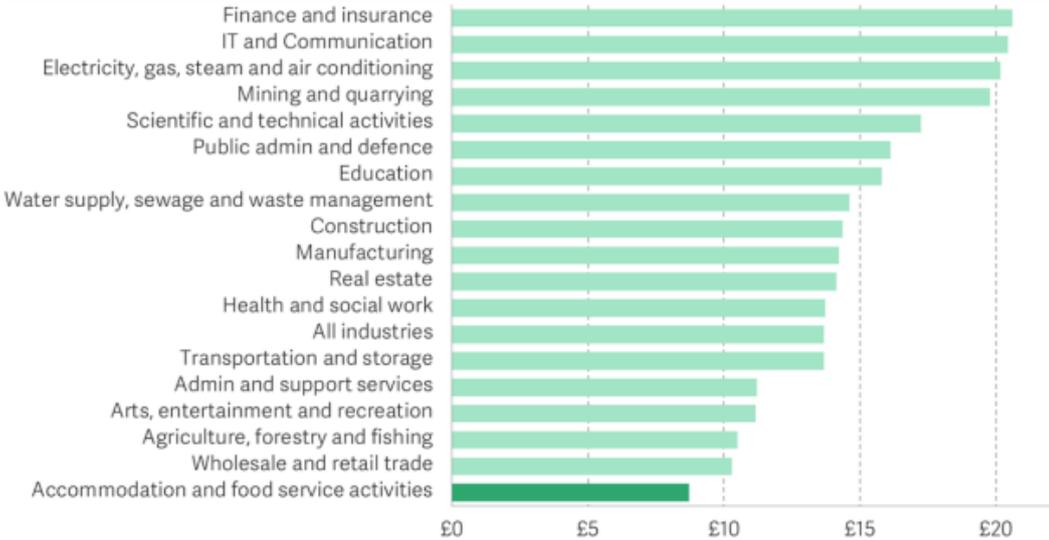
people with disabilities in the hospitality industry, the experience of workers has been a focus of research, however data on labour market participation is scarce.¹⁸

5. Levels of pay in hospitality

By all indicators, pay levels of H&T workers in the UK lag significantly behind those of other sectors in the economy. This is the industry with the lowest median hourly pay; in April 2020, median hourly pay among employees in hospitality was £8.72, compared to £13.68 in the UK overall, with the minimum wage set as the default level of remuneration for most workers. Therefore, the majority of workers in H&T earn below the Real Living Wage (currently at £9.90 across the UK and £11.05 in London), the wage considered the minimum needed for a decent standard of living. In 2019, two thirds (67%) of hospitality workers were paid less than the real Living Wage, compared to 1 in 5 (21%) for the UK workforce overall.¹⁹

The median pay of hospitality workers relative to other sectors is shown in Figure 6.

Figure 6: Median pay in hospitality relative to other sectors of the UK economy, April 2020



Source: Resolution Foundation (2020, p.4).

Low pay in H&T reflects both the nature of the precarious contracts of many workers in the industry as well as perceptions that the work they undertake is low skills or ‘elementary’ in nature. Prior to the pandemic, wages in H&T were rising but, relative to other sectors in the economy, they remained significantly lower (see Figure 7 below).

¹⁸ See, for example, Hui, R.T.Y., Tsui, B., and Tavitiyaman, P. (2021). Disability employment in the hotel industry: Evidence from the employees' perspective. *Journal of Human Resources in Hospitality and Tourism*, 20 (1), 127-145.

¹⁹ Resolution Foundation (2021) *Low Pay Britain*, <https://www.resolutionfoundation.org/app/uploads/2021/06/Low-Pay-Britain-2021.pdf>

Figure 7: UK Hospitality and Tourism and all industries average weekly wages (full-time), 2011-2017



Source: Department for Digital, Culture, Media and Sport (2019, p.17).

6. Health and Safety in H&T

In June 2022, the ILO added a safe and healthy working environment to its existing fundamental rights at work where it joins four existing areas – the freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour, and ending discrimination in respect of employment and occupation. This step is potentially of significance in H&T as it gives greater focus and priority to a range of key operational and management considerations in the sector. Health and safety concerns have been exacerbated by the Covid-19 pandemic, with hotel workers, in particular housekeepers, being exposed to greater health risk.²⁰

Health and safety have long been under-reported workplace concerns in H&T.²¹ Using data from *Boutique Hotelier*, Modern Restaurant Management Magazine reports that in 2016/17 approximately 434,000 injuries caused up to seven days of absence in each case. A further 175,000 caused a period of absence over seven days. The most common injuries in the hospitality sector are slips, trips and falls (29%) followed by lifting/handling (22%); falls from heights (20%), being struck by an object (10%) and acts of violence (75%). The Health and Safety Executive, reporting for 2021/22, noted

²⁰ Rosemberg, M, A. (2020). Health and safety considerations for hotel cleaners during Covid-19. *Occupational Medicine*, 70(5): 382-382).

²¹ WorkSafe British Columbia (2011) *Preventing Injury for Hotel and Restaurant Workers*. Focus. British Columbia: Workers Compensation Board.

that self-reported workplace injury for the food and accommodation sector was statistically significantly higher than the average rate across all industries.²²

The poor working conditions of many H&T workers in areas such as housekeeping makes them vulnerable to augmented occupational hazards that result in negative health risks.²³ These occupational hazards include physical, chemical, biological and psychological factors and health outcomes such as musculoskeletal disorders, respiratory diseases, dermatological diseases and allergies as well as psychological diseases. Similarly, issues of food safety and the management of consequent issues in food production and food service present significant issues for employee well-being in the sector.²⁴ Issues in this regard reflect aspects of workplace practice and culture that we have addressed above, notably precarious and transitory contracts, low pay and limited investment in skills development. Furthermore, there is some evidence to suggest that the use of alcohol and other drugs is a part of occupational culture, where harsh working conditions give rise to use of these as a coping strategy, for example in the case of Chefs who are subject to heat, a stressful environment and long working hours (insert reference number).²⁵ There is also a safety aspect related to the growth of the night-time economy, which fosters antisocial early and late working hours that may leave employees vulnerable in their journeys to and from the workplace.²⁶

7. Migrant workers and the hospitality sector

Historically, hospitality is a sector which has a high dependence on migrant workers in both 'elementary' occupational areas and in higher skills positions (chefs, management). Over the past 20 years, the reliance on migrant labour has been met through a significant workforce from within the EU. This source of supply has been greatly impacted by the consequences of Brexit in tandem with the COVID-19 pandemic. Most hospitality jobs do not meet requirements to qualify workers from overseas to obtain work permits on account of their low pay levels. Brexit also saw a large number of workers return to their home countries as businesses closed during COVID. Unlike a number of other sectors, health for example, H&T has not switched in significant numbers from their use of EU to non-EU migrant workers to address labour shortages post-Covid.²⁷

The evidence to date fits with the predictions of post Brexit labour shortages in hospitality but, in reality, the situation is rather more complex. The Labour Force Survey clearly shows that there are fewer migrant workers and lower net migration. This changing labour composition has resulted in a drop in the overall workforce in low paid sectors. However, labour shortages are not entirely due to fewer

²² <https://www.hse.gov.uk/statistics/industry/>

²³ DaRos, J. (2011). *Preventing Workpace Injuries Commonly Sustained by Hotel Housekeepers*. Toronto: Digitalscholarship.

²⁴ [Manning, L.](#) (2018) The value of food safety culture to the hospitality industry, *Worldwide Hospitality and Tourism Themes*, 10(3), 284-296.

²⁵ Giousmpasoglou, C., Brown, L., and Cooper, J. (2018) Alcohol and other drug use in Michelin-starred kitchen brigades, *International Journal of Hospitality Management*, (70): 59-65.

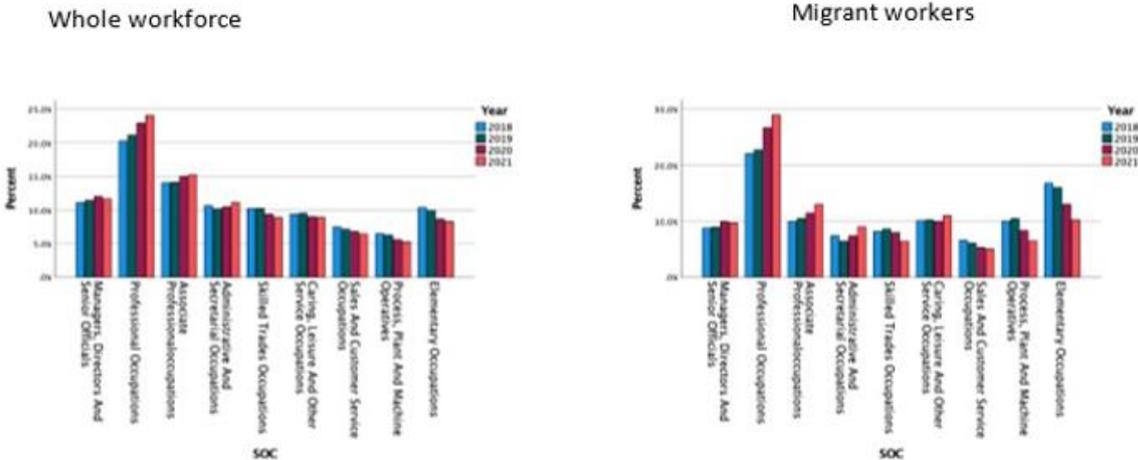
²⁶ Rosemberg, M, A. (2020). Health and safety considerations for hotel cleaners during Covid-19. *Occupational Medicine*, 70(5); 382-382).

²⁷ Sumption, M., Forde, C., Alberti, G and Walsh, P. (2022) 'The end of free movement and the low-wage labour force in the UK', ReWAGE/Oxford Migration Observatory, https://warwick.ac.uk/fac/soc/ier/rewage/publications/labour_shortages_paper_final.pdf

migrants (the missing millions). It is important to note that ethnic minorities and migrant communities frequently work in and host micro businesses that are often hidden as they do not access the same level of business support as other sub-sectors of H&T. London is distinct from other regions in this regard. The capital hosted the highest number of migrant workers in hospitality pre-covid with a consequent high Brexit impact. Overall, H&T has witnessed lower recovery in terms of job numbers than other sectors and a higher number of workers in poverty.

Figure 8: Workers and jobs by sector in elementary occupations

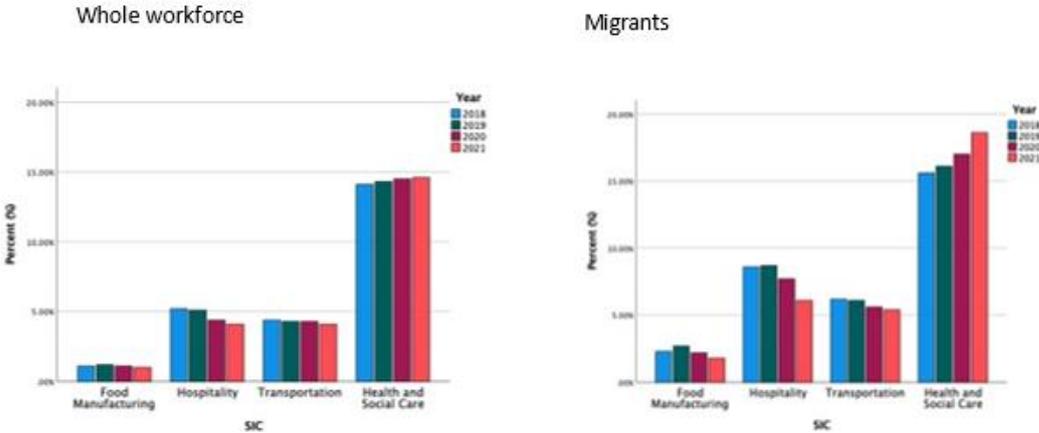
Workers/ jobs by sector LFS: decrease of workers in elementary occupations (Alberti et al)



Source: Alberti et al. (2022).²⁸

Figure 9: Workers and jobs by sector

Workers/ jobs by sector LFS (Alberti et al)



Source: Alberti et al. (2022).

In summary, the pre-COVID available data point to a workplace in H&T in the UK that is precarious (with 19% working part-time) and low-paid with over-representation of employees from disadvantaged groups such as youth (44% of employees are 34 or under), women, minorities, and migrant workers. Skills levels are significantly lower than other sectors of the economy, in itself a reflection both the organisational and operational structure of the sector and the profile of the workforce. While some variation is evident across the UK's nations and the English regions, the overall picture that emerges is consistent across place and time, with little evidence of significant shifts in any of these areas in the lead up to the pandemic. Notwithstanding definitional and data challenges to which we have already referred, these conclusions can be drawn with confidence.

However, in many respects the hospitality employment data lack the necessary granularity to inform policy at a local, regional or national level and tells us little or nothing about key areas of interest and concern. Given the impacts of the pandemic on hospitality businesses and their employees, this consideration has become increasingly important at both policy and operational levels.

Broad agreements from data and reports:

- A perfect storm exists – a national labour crisis ('the missing million), Brexit and Covid-19
- The sector has not yet recovered.
- Shifting workforce expectations.
- Skills shortage as well as labour shortage.
- Immigration policy to be revisited (and evidenced based).
- Multiple organisations have warned of (and since reported on) labour problems.

A picture of poverty that fits with the reality of low wage sector

- Higher number of workers in private and social rented accommodation.
- Higher than average numbers in poverty – 1/3 of all households rising to 50% for families with children.
- In work and earning – so poverty related to low wage rather than on benefits.
- This, in turn, could link to the reduction in the active workforce through poor health and long Covid (the missing millions).²⁸

8. The impact of COVID-19 on employment in H&T

As a consequence of events over the past three years, businesses in the H&T sector are currently facing significant challenges when it comes to recruiting, managing and retaining their labour force. Socio-economic, political and public health factors have all played a part in accentuating these challenges in the past decade but have coincided to create the 'perfect storm' as the sector seeks to recover after the pandemic. While

²⁸ See

file:///C:/Users/ils96110/Dropbox/ReWage%20Hospitality/Resources%20Folder/Reports/PresentationLPC22_Limits.pdf and <https://www.employment-studies.co.uk/resource/labour-market-statistics-march-2022>

external factors have certainly contributed to workforce issues in H&T, it is also true to say that the response of the industry to its workforce and their needs, directly and as a legacy of past practice, have acted as major contributory factors. Florisson notes that “One in three people working in the hospitality, services and agriculture sectors are in severely insecure work, compared to one in five nationally. During the pandemic, severely insecure jobs represented 80% of those lost in the hospitality sector”.²⁹

8.1 COVID-19: Furlough effects

The UK Government intervened substantially in the economy during Covid-19 through the introduction of the job retention scheme, also called furlough, to reduce the risk that workers in sectors particularly impacted by lockdowns faced redundancy and lost their livelihoods. According to UKHospitality:

“The Coronavirus Job Retention Scheme (CJRS) was the central plank of the Government’s support for businesses. Around 85% of the sector’s workforce were placed on furlough under the scheme, providing vital support for workers and easing the burden on hospitality businesses, which typically have significant employment costs. A UKHospitality survey in April found that only 2% of the sector’s workforce had been made redundant, with the scheme widely credited for keeping this number so low.”³⁰

However because of the higher percentage of insecure jobs in hospitality as compared to other sectors, workers on precarious contracts and working via temporary agencies were less likely to benefit from the scheme (which was not administrated and applied universally or directly but provided as a voluntary scheme for individual employers).³¹
³² On their part, trade unions, despite overall low levels of union density in the sector, played an important role in the enforcement of the CJRS and making sure that employers played by the rules, including with regard to precarious workers. For example, Unite the union negotiated on behalf of 1500 “casuals” (precariously employed, non-permanent staff) at the Marriott Hotel to make sure they received the state furlough payment in order to keep their jobs.³³ Other employers in the restaurant sector inserted new clauses around their ability to lay-off workers and put workers under pressure to accept new contractual terms as a condition to join the retention scheme.³⁴

²⁹ Florisson, R. (2022) *The UK Insecure Work Index. Two decades of insecure work*, London: The Work Foundation, p.6 <https://www.lancaster.ac.uk/media/lancaster-university/content-assets/documents/lums/work-foundation/UKInsecureWorkIndex.pdf>, 29 June 2022.

³⁰ UKHospitality (2020) 7th issue report, p.18 <https://www.ukhospitality.org.uk/page/FutureShock-IssueSeven>

³¹ Florisson (2022) op cit.

³² Zheng, C., Wu, J. and Zhao, X. (2022) How could hospitality employees survive? The individual costs, career decisions and autonomy support of furlough strategies in a crisis, *International Journal of Hospitality Management*, 106, <https://doi.org/10.1016/j.ijhm.2022.103279>

³³ Alberti, G. and Perrotta, D. (2020) The crisis of labour in the tourism and hospitality sectors during the pandemic: discourses and strategies in Burini, F. (ed.) *Tourism Facing a Pandemic. From Crisis to Recovery*, – Bergamo: Università degli Studi di Bergamo, pp.183-194.

³⁴ <https://www.unitetheunion.org/news-events/news/2020/april/unite-hails-victory-as-1-500-marriot-hotel-workers-go-on-coronavirus-job-retention-scheme/>

In addition, the use of the retention scheme changed throughout the different phases of the pandemic. Using HMRC data, ONS reported that just under 1,650,000 employees in the sector were on furlough as businesses paused trading in April 2020, with this number falling to just under 590,000 employees by the end of May 2021 (see Figure 10 below). This latter figure represented 25% of all furloughed employees across all sectors.³⁵

Figure 10: Furlough numbers in hospitality



Source: ONS (2022).³⁶

These figures indicate that while the furlough scheme had a critical effect in terms of helping employers to retain workers, as the payments provided to employers gradually decreased and the economy re-opened not everyone returned to their furloughed jobs – with the number of pay-rolled employees rising but not catching up during the summer 2021 compared to pre-pandemic levels.

In turn, The Caterer, one of the key sector magazines representing the voice of the sector/employers noted in 2021 that recovery in employment was particularly slow in hospitality relative to other sectors. The combination of the job retention scheme under Covid and the decrease in the number of EU nationals willing to fill vacancies in the sector may be considered the main two factors that combined to create one of the most serious labour shortage in decades - although may sector representative claim that the war for talent is a long term issue in the industry. It is worth highlighting that

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<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/articles/coronavirusesanditsimpactonukhospitality/january2020tojune2021>

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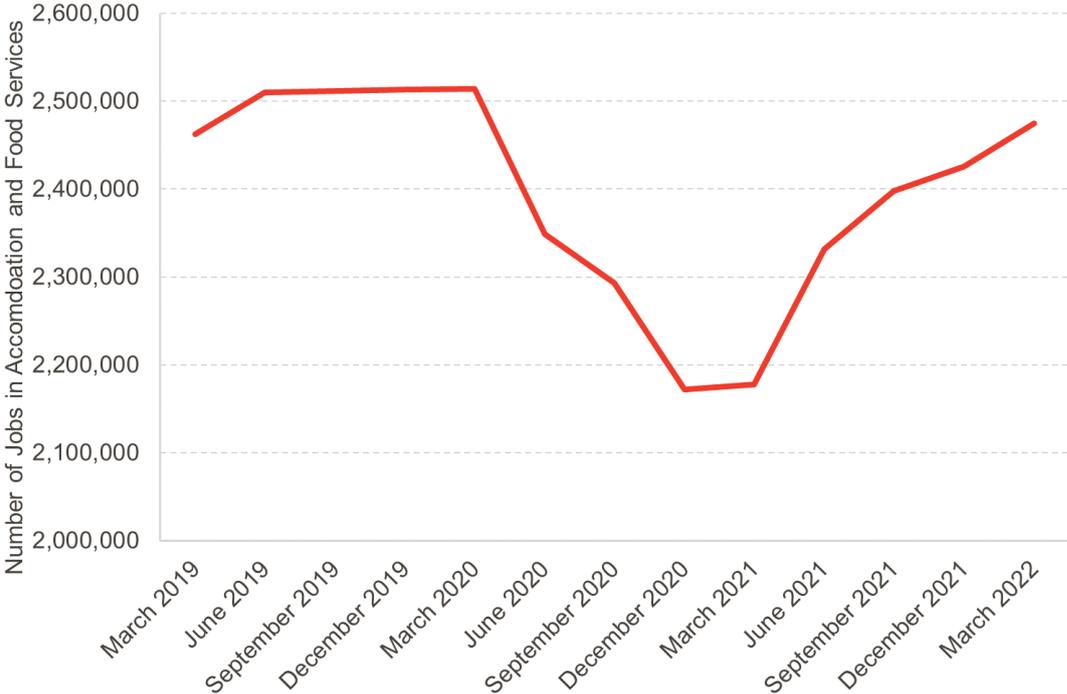
<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/articles/coronavirusesanditsimpactonukhospitality/january2020tojune2021>

for The Caterer compounding factors are a declining UK population and the fact that many students are deciding to stay in or return to in education.

It is clear from Figure 11 below the extent to which the pandemic impacted upon the numbers employed in the T&H sector. In March 2021, there were 340,000 fewer workers in the Accommodation and Food Services sector compared to a year earlier. The latest data from March 2022 shows that around 40,000 fewer workers are in the sector compared to pre-pandemic.

Figure 11: Impact of the pandemic on the number of jobs in Accommodation and Food Services

Jobs in Accommodation and Food Services

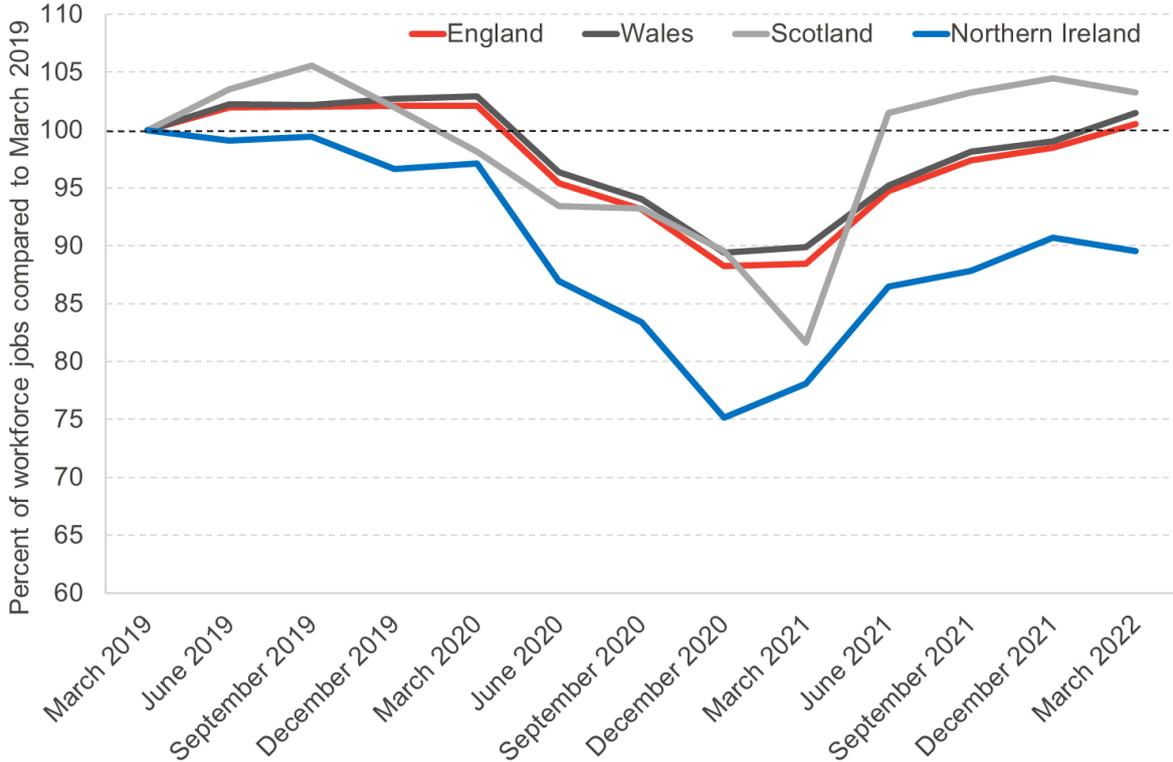


Source ONS Workforce Jobs in Fraser of Allander Institute (2022).

Figures 12 and 13 show the ONS Workforce Job data broken down by UK countries and regions. The data has been indexed to March 2019 and shows the extent to which jobs in Accommodation and Food Services were affected different parts of the UK were affected and how they have recovered.

Figure 12 shows that England, Wales and Scotland all had a similar proportional fall in jobs during the pandemic and have all now recovered to pre-pandemic levels of jobs in the sector. Northern Ireland lost proportionally more jobs than other parts of the UK, and jobs remain far below pre-pandemic levels.

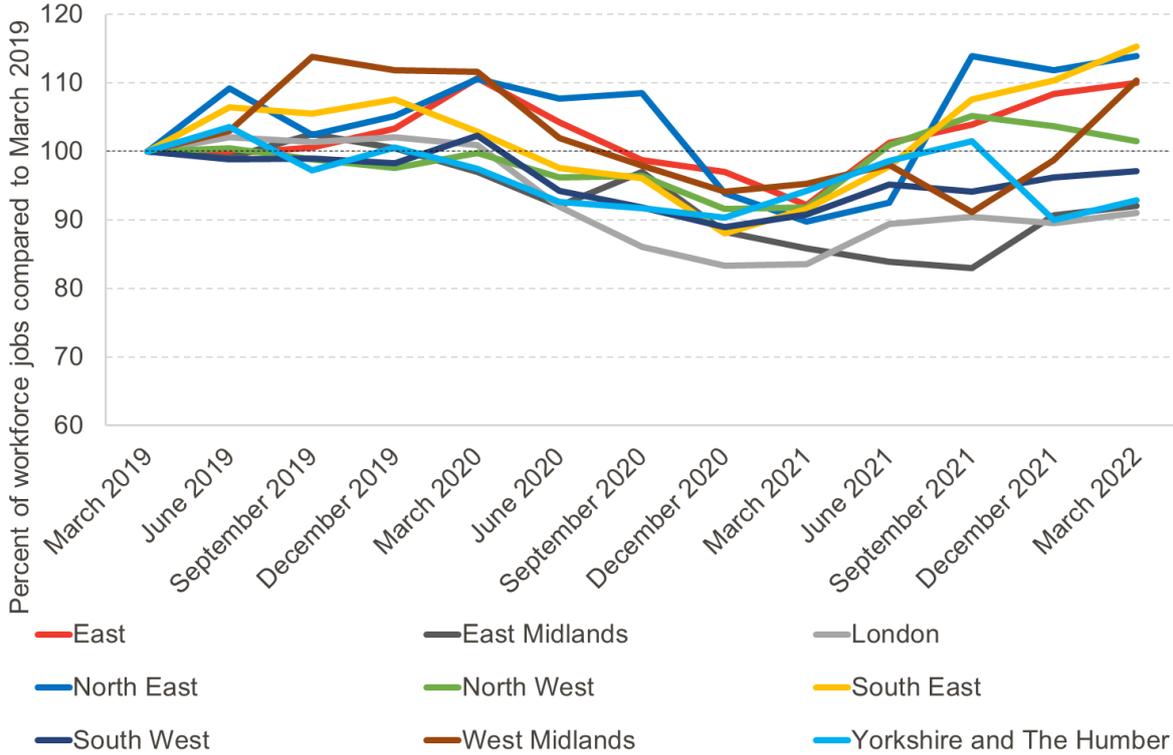
Figure 12: Impact of the pandemic on the number of jobs in Accommodation and Food Services – UK countries



Source ONS Workforce Jobs in Fraser of Allander Institute (2022).

Figure 13 below shows the differences between different regions of England and reveals much variation. London was one of the most affected regions, and jobs there remain about 10% below where they were pre-pandemic. Other regions that have yet to recover job numbers are Yorkshire and the Humber, the East Midlands and the South West. Unfortunately, data are not available for Scotland, Wales and Northern Ireland.

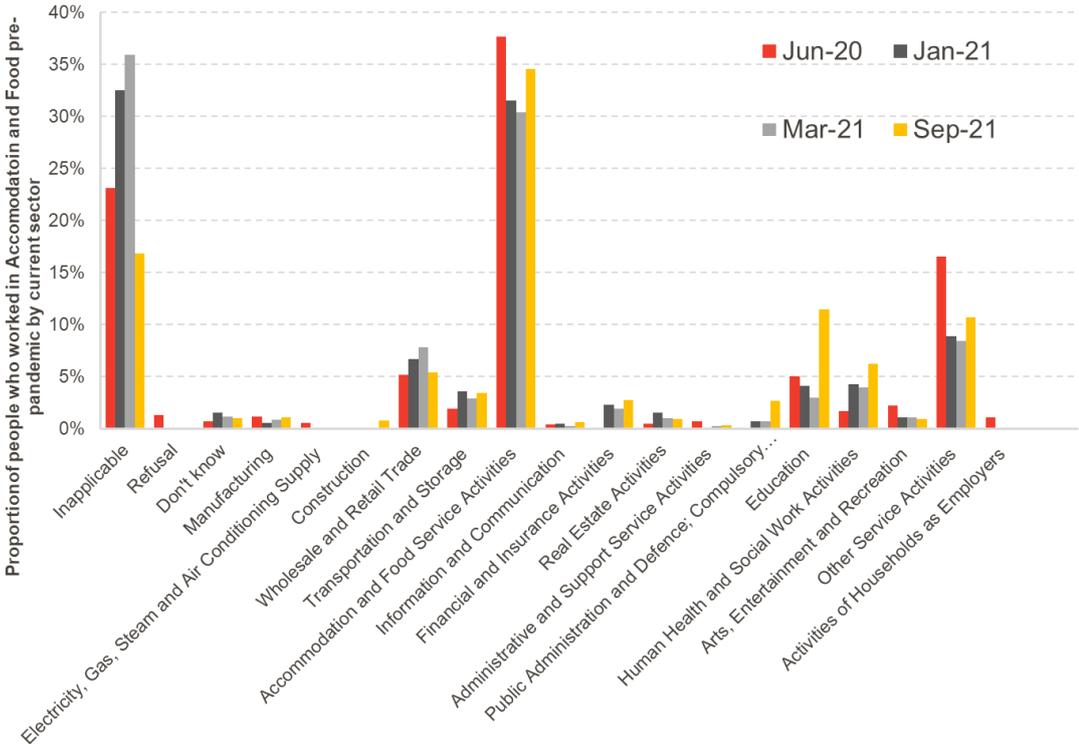
Figure 13: Impact of the pandemic on the number of jobs in Accommodation and Food Services – English regions



Source ONS Workforce Jobs in Fraser of Allander Institute, 2022

Many people who moved out of the sector have returned. Figure 14 below is based on data from the longitudinal Understanding Society survey which ran throughout the Covid pandemic. In the first few months of the pandemic, around 65% of individuals who were working in the sector pre-pandemic had left. This number increased subsequently in the January 2021 and March 2021 survey waves. The majority of people surveyed appear to be out of work (shown as inapplicable in Figure 14 – some people in this group may incorrectly said they were out of work when they were actually on furlough). A noticeable number of people had moved to “other service activities” and “wholesale and retail trade” and “human health and social work activities” and appear to have remained there in September 2021. By this point however, some people who had left Accommodation and Food Services did appear to have returned, most likely from unemployment. Post-covid data is yet to be released.

Figure 14: Tracking workers who worked in Accommodation and Food Services pre-pandemic



Source: Understanding Society Survey in Fraser of Allander Institute (2022).

The intersection of disadvantage in the impact of the Covid-19 restrictions and lockdowns affected workers and businesses in hospitality more than many other sectors. Hospitality workers from ethnic minority backgrounds are more likely to experience severely insecure work than white workers in the sector (43.8% vs 35% in 2021). Job losses for white workers were strongly concentrated among those experiencing the most severe levels of insecurity (85%), whereas for ethnic minority workers, this figure was 42%, with the remaining job losses also high among those experiencing moderate insecurity (27%). This indicates that for all workers, heightened job insecurity in hospitality appears to be associated with a higher risk of job loss during Covid-19 but for people from ethnic minority backgrounds, even lower levels of job insecurity can expose them to a greater risk of job loss.³⁷

The numbers employed, however, only tell part of the story relating to the impact of the pandemic on hospitality employment and the industry’s workforce. Issues of health and safety in H&T came to the fore during the pandemic as employees were exposed to risk as frontline workers with mixed levels of support and protection from their employers.³⁸ This risk was compounded in some locations as hospitality

³⁷ Florisson, R. (2022) *The UK Insecure Work Index. Two decades of insecure work*, London: The Work Foundation, accessed at <https://www.lancaster.ac.uk/media/lancaster-university/content-assets/documents/lums/work-foundation/UKInsecureWorkIndex.pdf>,

³⁸ Mohammad D.R., Karwowski, W., Sonmez, S. and Apostolopoulos.Y.(2020). The Hospitality Industry in the Face of the COVID-19 Pandemic: Current Topics and Research Methods *International Journal of Environmental Research and Public Health* 17, no. 20: 7366. <https://doi.org/10.3390/ijerph17207366>

operations, specifically hotels, were used for quarantine purposes by governments managing international travel and was recognised in assessment of risk at the time which identified higher transmission risk for people working in occupations with high levels of social connectivity, particularly when they also live in overcrowded housing with shared communal kitchens and bathrooms (e.g. young people, people in lower socio-economic groups).^{39 40}

The rise in employee preference for full- or partial homeworking in the UK, which emerged during and post-pandemic, has little relevance in the context of hospitality, applying only to a small proportion of administrative, sales, marketing and allied back-of-house roles.⁴¹ Along similar lines, the growth in the number of job advertisements in the UK that include reference to hybrid and/or homeworking since 2019 but also stress that there is a major skew towards better paid jobs in this regard.⁴² By the very nature of their work and their benefits packages, hospitality employees are far less likely to enjoy the flexible working opportunities afforded to others.

In summary, the pandemic had a devastating impact on the hospitality sector in all nations and regions of the UK and it is clear that the legacy of the pandemic remains with the industry and its workforce. The pandemic hit those most acutely disadvantaged in the workforce most hard and highlighted the intersection of multiple disadvantage in a very stark manner. The hospitality sector has reconfigured aspects of work through the accelerated implementation of new digital technologies but remains a high-touch, labour intensive sector to which many of those who had previously worked appear reluctant to return.

9. Hospitality and in-work poverty

The low pay environment of hospitality inevitably translates to low household income, although some income is provided through the social security system with around 40% of households with an adult working in hospitality eligible for a means-tested benefit (Universal Credit or the legacy benefits it replaced).⁴³ Even so, just over a third of

³⁹ Goh, E. and Baum, T. (2021), Job perceptions of Generation Z hotel employees towards working in Covid-19 quarantine hotels: the role of meaningful work, *International Journal of Contemporary Hospitality Management*, 33(5): 1688-1710.

⁴⁰ EMG/Transmission Group/SPI-B (2021) *COVID-19 Transmission in Hotels and Managed Quarantine Facilities(MQFs)* paper prepared by the Environmental Modelling Group (EMG), EMG Transmission Group, and the Scientific Pandemic Insights Group on Behaviours (SPI-B) accessed at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1018392/S1370_COVID-19_Transmission_in_Hotels_and_Managed_Quarantine_Facilities.pdf

⁴¹ ONS (2022) Which jobs can be done at home?, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/whichjobscanbedonefromhome/2020-07-21>.

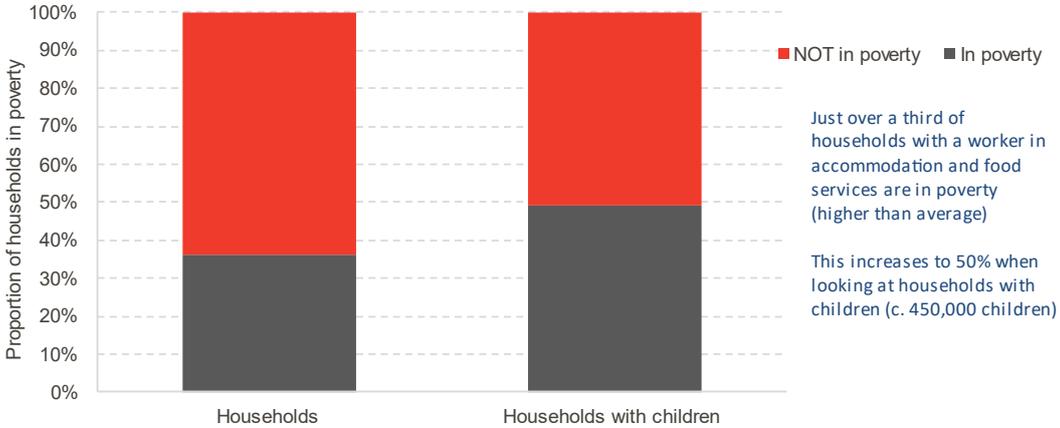
⁴² Darby, J., McIntyre, S. and Roy, G. (2022) What can analysis of 47 million job advertisements tell us about how opportunities for homeworking are evolving in the United Kingdom? *Journal of Industrial Relations*, DOI: 10.1111/irj.12375; CIPD (2022) An update on flexible and hybrid working practices, London: CIPD.

⁴³ This figure was calculated by analysing data from the IPPR Tax Benefit Model which calculates eligibility for means tested benefits based on household characteristics and income in the FRS. Results can be broken down by SIC 2017 codes.

households with a worker in the Accommodation and Food Services sector are in poverty. Thus, accommodation and food service workers were the second most likely of all sectors to experience in-work poverty (Rowntree Foundation, 2023).⁴⁴ Figure 15 also shows that close to 50% of households with children with a worker in the Accommodation and Food Services sector are in poverty. These poverty rates are noticeably above the population average, even when including households that do not have an adult in work at all.

Figure 15: Financial situation of household with a worker in accommodation and food sector

Financial situation of households with a worker in accommodation and food sector (Family Resources Survey)



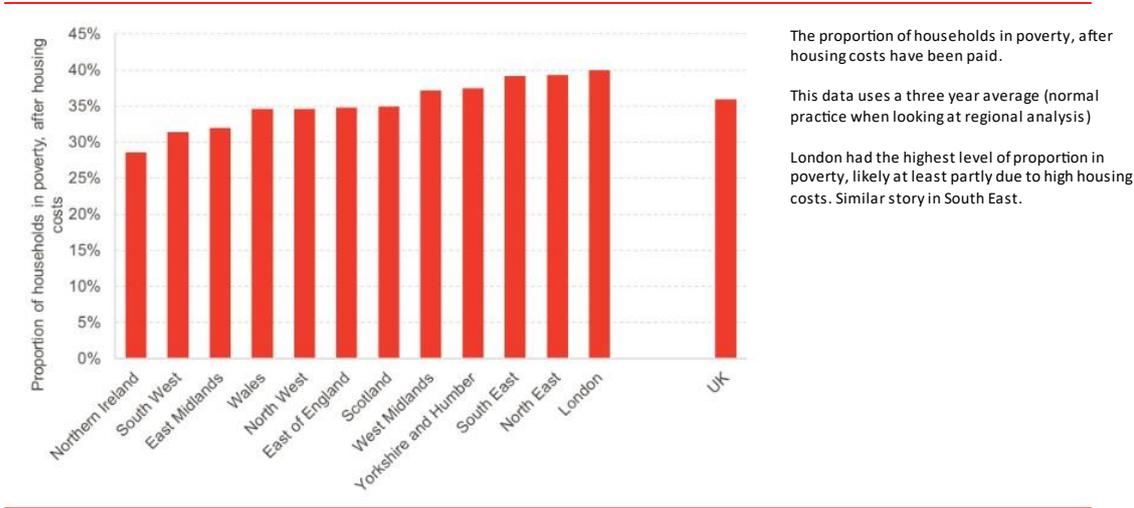
Source: FRS/HBAI survey in Fraser of Allander Institute (2022).

Figure 16 below shows that poverty rates are highest in London, which is likely explained by high housing costs. However, housing costs are unlikely to explain the high rate in the North East of England, and may be a reflection of lower pay in this region.

⁴⁴ Joseph Rowntree Foundation (2023) UK Poverty 2023 The essential guide to understanding poverty in the UK, https://www.jrf.org.uk/sites/default/files/jrf/uk_poverty_2023_-_the_essential_guide_to_understanding_poverty_in_the_uk_0_0.pdf

Figure 16: Financial situation of household with a worker in accommodation and food sector

Financial situation of households with a worker in accommodation and food sector (Family Resources Survey)



Source: FRS/HBAI survey in Fraser of Allander Institute (2022).

Table 7: Employment growth in hospitality

	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%

Table 7 above shows the percentage change over time in the UK Hospitality and Tourism workforce.⁴⁵

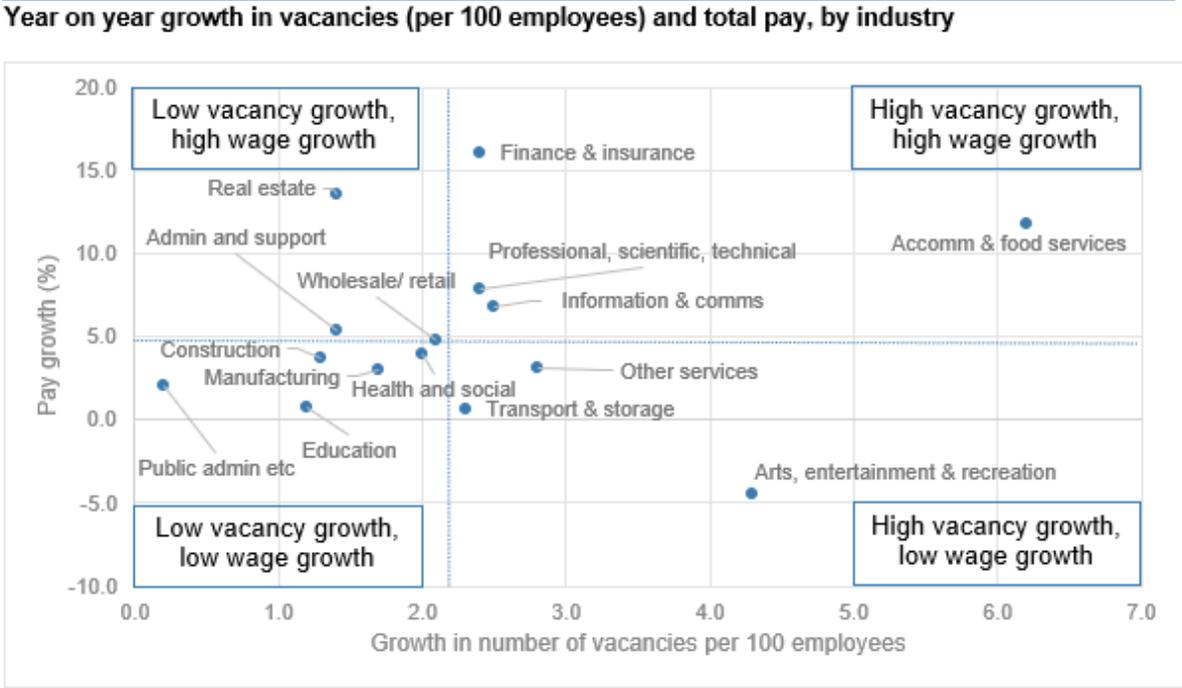
⁴⁵ Department for Digital, Culture, Media and Sport (2019) op cit.

10. Labour supply and demand and wages in UK hospitality and tourism 2019-2021

10.1 The vacancy crisis

As noted, H&T faces a vacancy crisis, one which has been exacerbated as an outcome of the pandemic but, fundamentally, reflects a picture that was clearly evident prior to 2020. Figure 17 below highlights the position of hospitality relative to other sectors where vacancies remain high with the result that employers are using wage growth (from a low base) as a means by which to address this issue.

Figure 17: Year on year growth in vacancies

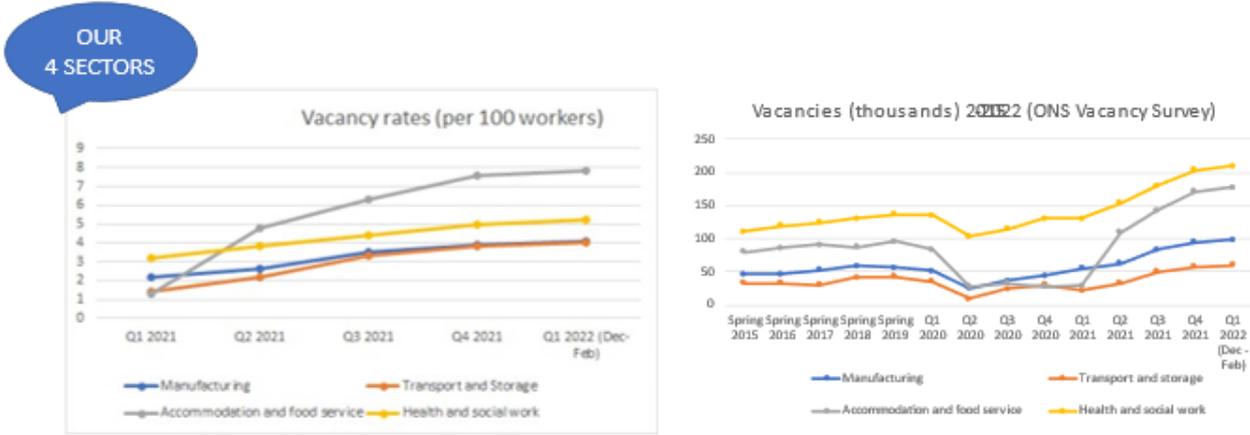


Source: IES analysis of ONS Vacancy Survey (VACS02) and Monthly Wages and Salaries Survey (EARN03)

Figure 18 below further highlights the crisis in hospitality as vacancies accelerated dramatically as the UK moved out of COVID restrictions.

Figure 18: The Missing Million

"THE MISSING MILLION": A LABOUR CRISIS (Alberti et al)



10.2 Labour demand

This section reports descriptive analysis of the labour demand for hospitality and tourism jobs in the UK 2019-2021. The analysis contains an estimated share of hospitality and tourism jobs as long with a descriptive analysis of other characteristics of the labour demand such as wages, experience required (dummy variable, years no) disaggregated by the four nations that composed the UK and (for England) at Local Enterprise Partnership (LEP) level.

As a starting point, the reporting uses the UK Standard Occupational Classification (SOC) and draws on the vacancy data collected by the Institute for Employment Research (IER). Fully updated every two years, the SOC allows standardised statistical labour market analysis since it organises and groups different jobs accordingly to the task complexity required. For instance, the Economic Insight study used the SOC2010 to map jobs related to hospitality and tourism. However, this study is based on an outdated 2010 version of the SOC. The improved SOC2020 version replaced the SOC2010.^{46 47} The new version is used here but uses the list of occupations in Economic Insight, which are then mapped onto the SOC2020 (see Appendix).

In order to analyse the labour demand in the UK, funded by the UK Government’s Department for Education, IER has developed a large vacancy database from the main UK job portals since February 2019 using web scraping techniques.⁴⁸ These data offer the opportunity to analyse labour demand at country and Local Enterprise Partnerships

⁴⁶ Economic Insight. (2019) Hospitality and Tourism workforce landscape. <https://www.economic-insight.com/wp-content/uploads/2019/10/DCMS-final-annex-13-06-19-STC.pdf>

⁴⁷ <https://www.ons.gov.uk/methodology/classificationsandstandards/standardoccupationalclassification/soc/soc2020>

⁴⁸ Computerised methods to automatically collect information from the Internet These data allow analysing the UK labour market for a large variety of jobs. However, it is important to note that These data are not without limitations. Online vacancy data tend not to represent the labour demand in rural areas.

(LEP) levels, alongside other characteristics of the labour demand such as wages, experience requirements etc.

10.3 Vacancies distribution

Table 8 below presents vacancy data on the number and proportion of hospitality jobs in the UK and its four countries and LEPs areas (for England) from February 2019 to December 2021. The total number of hospitality jobs is 82,298 in the UK for the study period. This represents around 1.9% of total jobs in the jobs vacancy database. At country level, around 1.8% of jobs offered in England are related to hospitality and tourism, whilst in Scotland these occupations represent 2.5% of total vacancies.

Table 8: Total and percentage of hospitality and job vacancies by countries in the UK (Feb 2019-Dec 2021)

Country	Hospitality occupations	Other occupations	Hospitality occupations share
England	68,021	3,783,908	1.8%
Scotland	13,228	525,527	2.5%
Northern Ireland	232	22,458	1.0%
Wales	817	60,969	1.3%

Source: IER-LMI.

Table 9 looks in more detail at the composition of the hospitality vacancies by occupations. The hospitality jobs most demanded are Receptionists (28.6%), followed by Chefs (26.1%) and Kitchen and Catering Assistants (12.6%).

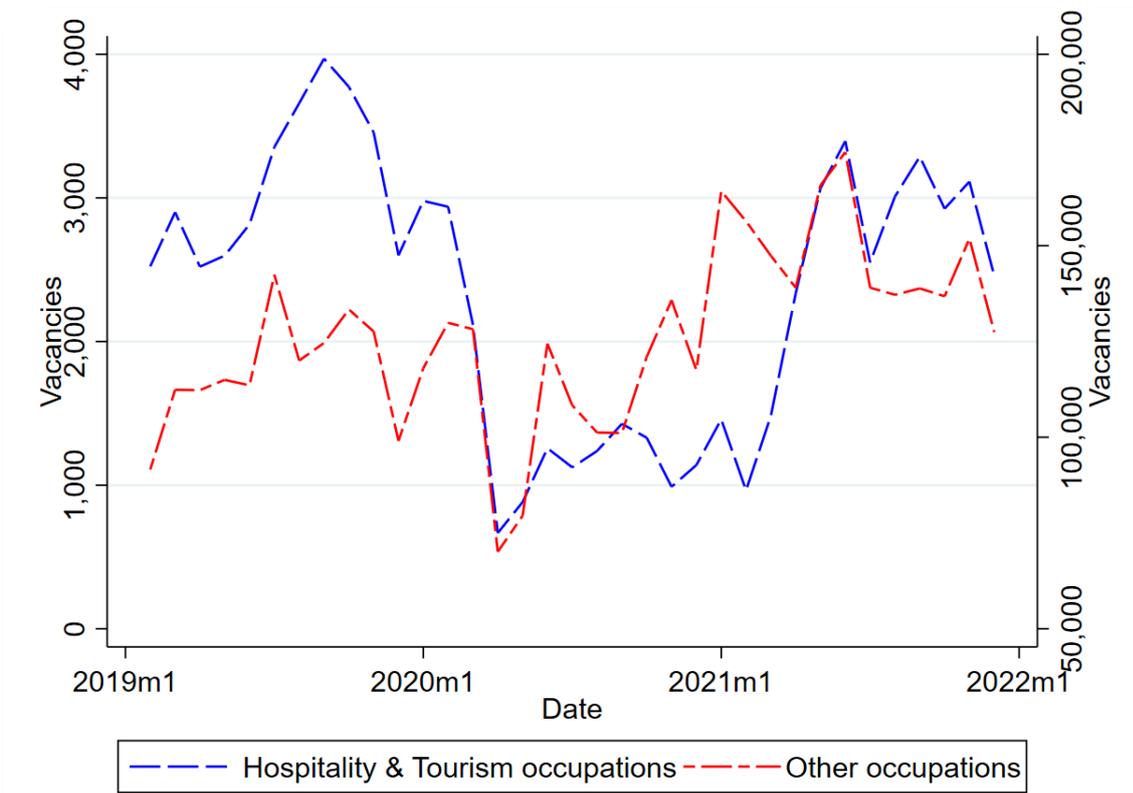
Table 9: Occupational distribution of hospitality job vacancies in the UK

SOC 2020	Distribution
4216: Receptionists	28.6%
5434: Chefs	26.1%
9263: Kitchen and catering assistants	12.6%
6231: Housekeepers and related occupations	5.9%
5435: Cooks	5.8%
6240: Cleaning and housekeeping managers and supervisors	5.1%
9264: Waiters and waitresses	4.5%
9265: Bar staff	3.1%
1222: Restaurant and catering establishment managers and proprietors	2.8%
5436: Catering and bar managers	2.7%
1221: Hotel and accommodation managers and proprietors	2.1%
5432: Bakers and flour confectioners	0.7%

Source: IER-LMI.

Figure 19 shows the changes to hospitality versus other occupations over February 2019 to December 2021 in the UK.⁴⁹ Although the pattern is similar, two points are worth noting. First, the national lockdown in March 2020 dramatically hit hospitality jobs vacancies. The number of hospitality jobs vacancies in April 2020 decreased 77% compared to February 2020 and for the rest of occupations this reduction was around 46.0%. Second, since January 2021 the number of hospitality vacancies has partially returned to pre-pandemic levels in the UK.

Figure 19: Hospitality job vacancies change (Feb 2019-Dec 2021)



Source: IER-LMI.

Table 10 below compares the share of hospitality vacancies before the first national lockdown (February 2019 to February 2020), during the different waves of lockdowns (March 2020 to May 2021) and post-lockdowns (June 2021 to December 2021). As Figure 1 shows, the share of hospitality vacancies decreased during the lockdown period. Wales and Scotland have the highest decreases (-1.49% and -1.46, respectively). Moreover, Wales shows the highest increase in vacancies during the post-lockdown period.

⁴⁹ Given the relatively small share of hospitality and tourism jobs in the UK nations, it is not possible to present this graph at country level.

Table 10: Share of hospitality vacancies before and during the pandemic in the UK

Country	Before lockdown	During lockdown	Post-lockdown	During lockdown vs post-lockdown Variation
England	2.48%	1.22%	1.96%	0.7%
Scotland	3.32%	1.86%	2.49%	0.6%
Northern Ireland	1.93%	0.61%	0.64%	0.0%
Wales	2.26%	0.77%	1.76%	1.0%

Source: IER-LMI.

Similarly, Table 11 below compares the share of hospitality vacancies during the different lockdown periods by English LEPs. In general, the data reveals that the share of hospitality vacancies decreased during the pandemic period in most LEP areas. During the post-lockdown period, almost all regions show an increase in hospitality job vacancies.

Table 11: Share of hospitality vacancies before and during the pandemic by England LEPs

LEP	Before lockdown	During lockdown	Post-lockdown	During lockdown vs post-lockdown Variation
Buckinghamshire Thames Valley	1.9%	0.8%	5.2%	4.4%
Cornwall and Isles of Scilly	8.0%	2.5%	4.6%	2.1%
Cumbria	5.2%	2.6%	4.5%	1.9%
Oxfordshire	4.1%	1.4%	3.1%	1.7%
Enterprise M3	4.7%	1.7%	3.3%	1.6%
Coast to Capital	4.5%	2.1%	3.3%	1.3%
Dorset	4.4%	2.4%	3.6%	1.2%
The Marches	3.2%	1.2%	2.4%	1.2%
Humber	3.7%	1.1%	2.3%	1.2%
Cheshire and Warrington	2.3%	1.5%	2.7%	1.2%
Greater Lincolnshire	2.1%	1.8%	3.0%	1.2%
Swindon and Wiltshire	2.7%	1.2%	2.3%	1.0%
Heart of the South West	3.4%	1.4%	2.4%	0.9%
Derby, Derbyshire, Nottingham and Nottinghamshire	2.5%	1.3%	2.2%	0.9%
North East	2.6%	1.6%	2.6%	0.9%
Worcestershire	3.5%	2.2%	3.1%	0.9%
South East	2.9%	1.7%	2.5%	0.9%

New Anglia	2.8%	1.0%	1.8%	0.9%
South East Midlands	2.3%	1.1%	2.0%	0.9%
Hertfordshire	2.6%	1.2%	2.0%	0.8%
York, North Yorkshire and East Riding	3.7%	2.5%	3.2%	0.7%
Greater Cambridge and Greater Peterborough	2.6%	1.2%	1.9%	0.7%
Greater Manchester	1.6%	0.9%	1.7%	0.7%
Black Country	1.5%	1.0%	1.8%	0.7%
Thames Valley Berkshire	3.2%	1.5%	2.2%	0.7%
Gloucestershire	3.0%	1.4%	2.1%	0.7%
Liverpool City Region	2.2%	1.1%	1.8%	0.6%
Lancashire	2.4%	1.2%	1.8%	0.6%
Greater Birmingham and Solihull	1.8%	1.0%	1.6%	0.6%
Leeds City Region	2.5%	1.4%	1.9%	0.6%
London	2.1%	1.0%	1.5%	0.5%
West of England	5.5%	1.1%	1.5%	0.5%
Stoke-on-Trent and Staffordshire	2.6%	1.7%	2.2%	0.4%
Tees Valley	3.1%	1.6%	2.0%	0.4%
Coventry and Warwickshire	3.2%	0.9%	1.3%	0.3%
Sheffield City Region	1.7%	1.0%	1.3%	0.3%
Leicester and Leicestershire	2.4%	1.1%	1.4%	0.3%
Solent	2.8%	1.4%	1.4%	0.0%

Source: IER-LMI.

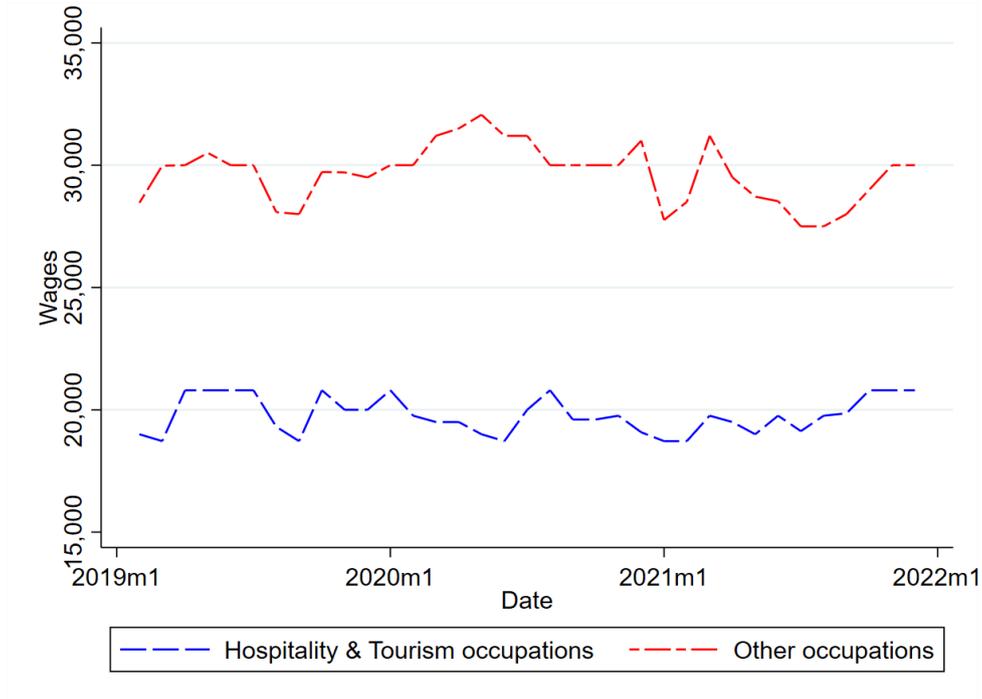
The vacancy database also provides information on the different characteristics of the jobs offered. Figures 19, 20 and 21 show the proportion of hospitality and other kinds of vacancies based on employer demand for recruits to have prior experience. As Figure 19 shows, applicants having this experience is important to employers posting all job vacancies. For instance, 61.3% of hospitality job vacancies in England required labour experience before the first national lockdown. However, for the four nations and regardless of the periods, hospitality job vacancies tend to require less frequently experience than in the rest of the occupations.

10.3 Wages

The vacancy information also allows analysis of hospitality jobs' wages. This information indicates the price that employers are willing to pay for hiring a person. This variable can indicate whether hospitality jobs are attractive regionally.

Figure 20 below compares hospitality and other occupations' wages. The first point to notice is that hospitality job vacancy postings tend to offer significantly lower wages than the rest of the occupations in the UK. Second, wages for hospitality jobs seem to be relatively stagnant. However, wages for other occupations also seem to be relatively stagnant. Third, the pandemic did not have significant impact on wages. Fourth, the tightening labour market for hospitality has not led to wage increases, even as demand outstrips supply.

Figure 20: Hospitality and other job vacancy (median annual) wages in the UK



Source: IER-LMI.

Table 12 shows UK countries' annual median wages offered for hospitality jobs before and during the pandemic. Wages in England tend to be higher than in the rest of the UK. However, wages in England slightly decreased during the lockdown period, whilst for the rest of the UK nations, the wages for hospitality jobs slightly increased once compared with the pre-lockdown levels. However, wages in England have partially increased (but not fully recovered) during the post-lockdown period.

Table 12: Median annual wages for hospitality jobs before and during the pandemic in the UK (£)

Country	Before lockdown	During lockdown	Post-lockdown	During lockdown vs post-lockdown variation
England	20,800	19,760	20,721	+4.9%
Scotland	18,481	19,603	19,177	+2.2%
Northern Ireland	18,640	19,760	19,022	+3.7%
Wales	18,680	19,440	19,932	+2.5%

Source: IER-LMI.

Table 13 shows that the LEPs with the highest wages for hospitality jobs after the lockdown are London, Worcestershire, and Greater Cambridge and Greater Peterborough. In contrast, lower wages are evident in New Anglia as well as York, North Yorkshire and East Riding, and Tees Valley – areas where hospitality businesses were struggling in the post-covid period.

Table 13: Median annual wages for hospitality jobs before and during the pandemic by England LEPs (£)

LEP	Before lockdown	During lockdown	Post-lockdown	During lockdown vs post-lockdown variation
Heart of the South West	21,500	19,000	20,800	9.5%
Thames Valley Berkshire	20,800	19,000	20,800	9.5%
Buckinghamshire Thames Valley	19,000	18,680	20,100	7.6%
Greater Birmingham and Solihull	20,250	19,250	20,500	6.5%
Coast to Capital	19,000	18,720	19,800	5.8%
Cornwall and Isles of Scilly	19,760	18,720	19,800	5.8%
Coventry and Warwickshire	20,000	18,720	19,800	5.8%
Humber	20,800	18,720	19,800	5.8%
The Marches	20,000	18,720	19,800	5.8%
Cheshire and Warrington	19,375	18,720	19,760	5.6%
Gloucestershire	19,880	18,720	19,760	5.6%
Greater Lincolnshire	17,840	18,720	19,760	5.6%
Greater Manchester	18,720	18,720	19,760	5.6%
Lancashire	18,720	18,720	19,760	5.6%
Derby, Derbyshire, Nottingham and Nottinghamshire	19,760	18,720	19,755	5.5%
Worcestershire	19,500	20,800	21,920	5.4%
Greater Cambridge and Greater Peterborough	19,700	19,760	20,800	5.3%
Enterprise M3	19,760	18,840	19,800	5.1%
Oxfordshire	21,000	19,864	20,800	4.7%
Leicester and Leicestershire	18,720	18,720	19,500	4.2%
Dorset	18,000	18,075	18,720	3.6%
Solent	19,000	19,760	20,440	3.4%
Cumbria	20,400	18,720	19,276	3.0%
Stoke-on-Trent and Staffordshire	18,720	18,720	19,232	2.7%
Swindon and Wiltshire	18,000	18,720	19,132	2.2%
London	22,000	22,880	23,000	0.5%
North East	17,680	18,671	18,720	0.3%
Black Country	17,680	18,720	18,720	0.0%
Leeds City Region	17,680	18,720	18,720	0.0%
Liverpool City Region	18,610	18,720	18,720	0.0%

New Anglia	19,750	18,720	18,720	0.0%
South East	18,850	18,720	18,720	0.0%
Tees Valley	21,840	18,720	18,720	0.0%
York, North Yorkshire and East Riding	21,625	18,720	18,720	0.0%
Sheffield City Region	18,720	19,000	18,918	-0.4%
Hertfordshire	22,690	21,250	20,800	-2.1%
West of England	18,720	19,760	19,000	-3.8%
South East Midlands	18,720	19,500	18,720	-4.0%

Source: IER-LMI.

At the occupational level, Table 14 shows that Bar staff, Cleaning and housekeeping managers and Cooks experienced increases in wages during the pandemic. In contrast, hotel and accommodation managers and proprietors experienced the largest declines in wage levels during the pandemic. The occupations with higher wages are Travel agency managers and proprietors, Property, housing and estate managers and Hotel and accommodation managers and proprietors. Bar staff and Waiters and waitresses experienced the largest wage increases after the lockdown period while, by contrast, housekeeping supervisors experienced decline.

Table 14: Median annual wages by hospitality occupations before and during the pandemic (£)

SOC 2020	Before lockdown	During lockdown	Post-lockdown	During lockdown vs post-lockdown Variation
9265: Bar staff	16,640	16,640	18,640	12.0%
9264: Waiters and waitresses	17,680	17,680	19,760	11.8%
9263: Kitchen and catering assistants	16,640	16,640	18,520	11.3%
5432: Bakers and flour confectioners	19,500	18,720	19,760	5.6%
1221: Hotel and accommodation managers and proprietors	30,400	28,500	30,000	5.3%
6231: Housekeepers and related occupations	17,544	18,135	18,720	3.2%
5434: Chefs	24,000	22,500	22,880	1.7%
5435: Cooks	17,847	18,481	18,720	1.3%
4216: Receptionists	20,000	19,783	20,000	1.1%
1222: Restaurant and catering establishment managers and proprietors	28,000	28,500	28,500	0.0%
5436: Catering and bar managers	26,500	26,000	25,500	-1.9%
6240: Cleaning and housekeeping managers and supervisors	20,500	21,869	20,800	-4.9%

Source: IER-LMI.

In summary, this analysis of job vacancies in hospitality highlights that the total number of hospitality job vacancies advertised was 82,298 in the UK for the study period. This represents around 1.9% of total jobs offered in the UK. There were some variations between the share of hospitality jobs across the different nations in the UK. Scotland had the highest share of these occupational vacancies. The national lockdown in March 2020 dramatically hit hospitality jobs vacancies. The number of hospitality and tourism jobs vacancies in April 2020 decreased 77% compared to February 2020. For other occupations this reduction was around 46.0%. Since January 2021 the number of hospitality job vacancies has almost returned to pre-pandemic levels in the UK. At a nation level, Wales and Scotland were the countries with the highest decreases in the share of hospitality jobs vacancies during the pandemic ((-1.49% and -1.46, respectively). However, the share of hospitality vacancies decreased during the pandemic period in most English LEP areas. Hospitality job vacancies tend to require less frequently experience than in the rest of the occupations. Hospitality job vacancy postings tend to offer significant lower wages than the rest of the occupations in the UK. Overall, wages for hospitality jobs seem to be relatively stagnant. However, results are heterogenous within regions and occupations.

11. Conclusion and recommendations

This paper highlights a wide range of issues relating to employment in the contemporary hospitality industry in the UK, at national and regional level. These issues reflect a wide range of economic, political, social and cultural influences which coalesce in a way that creates challenges for both employers and employees in the industry. Evidence points to a number of structural and institutional factors that have not shown significant change over the past 25 years. At the same time, the impact of COVID-19 and its aftermath has exacerbated a number of these issues (such as recruitment and retention) and created conditions where other factors are emerging in a way that the industry and its stakeholders needs to address (for example, changing attitudes to work and demand for greater workplace flexibility).

Policy undoubtedly has a role to play in effecting change to work and working conditions in hospitality and enabling the private sector to meet its skills requirements. Thus, a number of recommendations here are addressed to governments and regional bodies with competencies to propose policy and enact measures that support change in the hospitality industry. However, a significant responsibility has to lie with the private sector, as employers and through competent industry bodies, to drive meaningful change in workplace practices and culture. Policy leadership across a wide range of direct and indirect areas combined with appropriate regulation can support and encourage the hospitality industry down a path of meaningful change.

On the basis of the analysis in this evidence paper, a number of recommendations, designed to enhance policy and practice with respect to employment in the hospitality industry, are proposed. It is recognised that framing policy that is meaningful across such a diverse and fragmented industry with longstanding issues is challenging, but evidence highlights the need to address issues that impact upon hospitality employment across the full ambit of its diversity.

11.1 Recommendations

H&T is a large employment sector. A significant proportion of its work is frequently depicted as consisting of low skills and 'elementary' occupations. This depiction is out of step with aspiration of the UK Government's strategy to raise job quality in the 'build

back better' plan for growth that aspires to create Good Work that is high quality and high wage throughout all UK nations and regions. Moreover, the COVID-19 pandemic has taken an unprecedented toll on hospitality businesses and their workforce and, while demand may be returning to pre-pandemic levels, it is evident that a substantial proportion of the industry's former and potential employees have been unwilling to return to work in the sector.

- **Recommendation 1:** Competent agencies at national and local levels alongside private sector interests should develop strategies and work with employers, particularly with small and micro operations, to improve job quality (including pay, working time, training and career development opportunities, flexible working options and terms and conditions).

AI, advanced automation and robotisation have the potential to replace all or parts of a range of low skills and 'elementary' occupations in hospitality. While the net effect may be to reduce the total number of jobs in the sector, it could also eliminate many poor-quality jobs that do not meet criteria for Good Work. At the same time, the digitalisation of specific tasks may complement existing work and can improve both the work and service experiences. The up-front investment cost in requisite technology and its application may be beyond the reach of many small hospitality operations.

- **Recommendation 2:** The Treasury and other competent agencies should make financial incentives (direct grant, taxation-related etc.) available to businesses to support a digital transition in capital and human resource terms.

The UK's hospitality sector, particularly in rural areas, has long depended on a mobile migrant and, frequently, life-style workforce to meet seasonal skills requirements. Access to this labour market has been severely impacted by changes to immigration law as a consequence of Brexit.⁵⁰

- **Recommendation 3:** As a short-term fix, UK immigration law should be amended to enable hospitality employers to have greater flexibility in the recruitment of seasonal employees from within and beyond the EU, possibly modelled on Australia's Working Holiday Visa, while recognising that this action will not provide a long-term and sustainable solution to poor-quality jobs in the sector.⁵¹

One shortfall in the use of temporary visa is that it risks entrenching issues related to high labour turnover and the perception of poor opportunities for long-term career in the industry. Improving pay, conditions and workforce

⁵⁰ Sumption, M. et al. (2022) op cit.

⁵¹ This recommendation is caveated by the observation that visa costs for both workers and employers should be lowered: the selective extension of the Shortage Occupation List for other sectors like social care is already showing that even when new routes are opened for employers to employ labour from abroad, high visa-related costs and long-waiting times remain prohibitive with limited uptake. In the current context it may be particularly unlikely that hospitality employers especially SMEs, already struggling to cover the heightened costs of energy and food supplies without current support by the government, and possibly lower demand from customers, will be able to dedicate further resources to cover visa costs.

development remain a more viable option than using immigration policy to solve longstanding shortage problems in the sector.⁵²

- **Recommendation 4:** Competent agencies must re-think migration policy and workforce development in order to support the sustainable development of hospitality as a major sector and employers within the UK economy.

The hospitality industry in the UK is facing heightened (if not unprecedented) challenges with respect to recruitment, retention, working conditions, workplace abuse, remuneration and skills development. Addressing these issues requires a multi-stakeholder collaborative approach that is absent in most employer-dominated forums tasked with addressing them.

- **Recommendation 5:** Employee voice must be included as standard in all government-, agency- and industry-led forums tasked with addressing hospitality workforce/employment issues. This inclusion is of particular relevance given that hospitality is a sector with low levels of union density.

Good workplace employment policies, practices and cultures can be identified across hospitality from which other businesses can learn. Encouraging collaboration at a local level and facilitating learning from best practice in the industry, while not new in hospitality, is of particular value in light of contemporary challenges.

- **Recommendation 6:** Local and regional enterprise development agencies should support, disseminate and promote best industry practice in hospitality employment.

Appropriate support infrastructure for hospitality employees, in both rural and urban locations, is increasingly recognised as critical.⁵³ This support includes affordable housing and transport as well as access to other key services (health, education etc.). In key tourism ‘hotspots’, access to key infrastructure facilities is constrained by, for example, a buoyant short-term rental market and the impact of second homes on the housing market.

- **Recommendation 7:** Government agencies at local and national levels should address these key infrastructure issues in a collaborative and cross-departmental way, particularly in the affordable local housing market and in the support for affordable public transport that facilitates employee travel, especially during unsocial hours.⁵⁴

Hospitality workers, because of existing low pay levels relative to other sectors but also because of both the nature of many contracts (part-time, casual, seasonal, zero-hours) and dependence on discretionary income (tipping) are particularly vulnerable to the cost-of-living crisis in the UK, both in terms of inflationary impacts and reduced consumer spending on products/services and in their tipping. While measures to protect employee rights with respect to tipping are welcome, ensuring compliance and redress in instances of non-compliance remains an issue.

⁵² Sumption et al. (2022) op cit.

⁵³ See, for example, UK Hospitality’s 2022 Workforce Strategy, <https://www.ukhospitality.org.uk/page/WorkforceStrategy>

⁵⁴ As an example, see Edinburgh’s short-term lets control zone.

- **Recommendation 8:** Enforcement of tipping rights on behalf of employees needs to be resourced in a proactive way rather than being left to employees to take reactive measures in support of their rights.

The hospitality workforce, in part because of its demographic profile, is particularly vulnerable when travelling after late shifts and in some occupations, vulnerability to alcohol and drug abuse. The growth of the night-time economy in many cities has increased this issue in recent years. Issues of safety, particularly for women, act as a major deterrent for potential recruits to join the hospitality industry.⁵⁵ Addressing this issue would also likely help recruitment and retention.

- **Recommendation 9:** Employer duty-of-care/health and safety responsibilities when workers are travelling to and from work should be reinforced by appropriate legislation while, at the same time, employers are encouraged to provide realistic transport options for their workforce. This duty of care should extend to support groups and information for those who may be struggling to cope with the demands of the job.

Certain areas of hospitality workplaces may be considered dangerous or hazardous (for example kitchens) or present areas of risk where work is manual (for example housekeeping, table service). By law, employers have to comply with health and safety legislation, including providing adequate training and information for staff, adequate welfare and workplace facilities (e.g., clean drinking water, toilet, lighting and ventilation) and a safe and properly maintained working environment with the recording and reporting of accidents and work-related ill health. However, engaging with employees is beneficial as they are best placed to know risks and how they might be mitigated; empowering the workforce to influence practice through their own actions.

- **Recommendation 10:** Going beyond the minimum and legal requirements, employers should be required to regularly consult employees on health and safety aspects and concerns.

Policy and planning with respect to key areas of hospitality employment is shackled by the absence of inclusive data that fully describes the scope of jobs across the industry. This data deficit problem needs to be addressed.

- **Recommendation 11:** The ONS should work with interested stakeholders in order to create an inclusive definition to accommodate all areas of work within the hospitality industry.

Finally, there is still much that is unknown about work and wages in hospitality and tourism, and which suggest that the future research agenda also needs to be reshaped. There are a number of particularly critical areas that are substantially under-developed or absent in current research. These areas include:

- Levels of skills underemployment or underutilisation of those working in hospitality and the extent to which this contributes to high labour turnover in the sector. In part, this may be tied into the number of students employed, on a notionally temporary basis in H&T and also to the

⁵⁵ In this regard, we particularly commend the Unite campaign to ensure that hospitality workers are supported to get home safely at the end of their shifts.

number of migrant workers for whom the sector is a first job on entry to the UK labour market. But granularity is lacking in understanding both the levels of and experience of underemployment.

- The extent of time under-employment in the industry resulting from part-time and seasonal work as well as the use of zero hours contracts. The Annual Survey of Hours and Earnings (ASHE) found that in 2019 14% workers in hospitality would like more hours of work; this figure is the highest level of all industries. Updating this data to reflect the post-COVID situation would be of great value.
- The role of tipping in the overall remuneration of H&T workers and how tips are distributed within and across the H&T workforce. The absence of legislation, similar to that recently approved in the Irish Republic, leaves employees vulnerable to the whims of employers in this regard.
- Information about how disadvantage for hospitality workers in rural areas is manifested as a consequence of infrastructure issues, notably access to the rental and home ownership markets and coping with rising costs and availability of local transport and other key facilities.
- Greater granularity with respect to the experiences of those at the intersection of inequality and disadvantage in hospitality work, combined with the absence of voice for those working in the industry, notwithstanding some growth in trades union membership within the industry.
- The experience of those working as freelancers, especially in the gig economy or in various forms of self-employment in H&T is also under-documented, both in a quantitative and qualitative sense. In this regard, the extent of current and potential future use of technology to manage those working in such precarious roles.^{56 57}

⁵⁶ For the gig economy generally, see Forde, C. et al. (2023 forthcoming) Work and wages in the gig economy, ReWAGE.

⁵⁷ See, for example, <https://london.eater.com/restaurant-jobs-temporary-work-app-gig-economy>

Appendix

A1: Hospitality-related occupations

SOC2020
1221: Hotel and accommodation managers and proprietors
1222: Restaurant and catering establishment managers and proprietors
4216: Receptionists
5432: Bakers and flour confectioners
5434: Chefs
5435: Cooks
5436: Catering and bar managers
6231: Housekeepers and related occupations
6240: Cleaning and housekeeping managers and supervisors
9263: Kitchen and catering assistants
9264: Waiters and waitresses
9265: Bar staff

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About ReWAGE

ReWAGE is an independent expert advisory group modelled on SAGE that is co-chaired by the Universities of Warwick and Leeds. It analyses the latest work and employment research to advise the government on addressing the challenges facing the UK's productivity and prosperity, such as Covid-19, the cost-of-living crisis and labour shortages.

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