

Insight report

Women working in the hospitality & tourism sector

People 1st's insight reports examine a specific aspect of the visitor economy sector's skills and labour market.¹ This report looks at the talent retention of women in the hospitality and tourism sector and the extent to which the industry is maximising opportunities to retain and progress women into more senior roles. It explores the organisational barriers preventing more women from progressing into these roles, the structural barriers across the industry and the pay differentials between men and women.

This is an increasingly important area for business as there is intense scrutiny over the equal pay for men and women and the Hampton-Alexander Review encourages FTSE 100 companies to aim for a third of their leadership roles to be occupied by women by the end of 2020.

Businesses putting women at the heart of their staff retention strategies

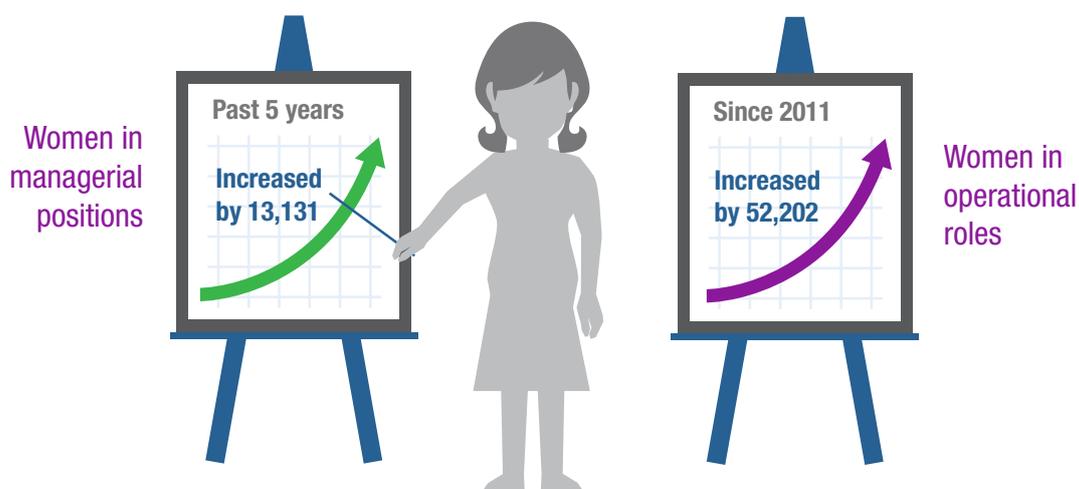
Retaining staff is becoming a key focus for many hospitality and tourism businesses looking to address rising staff costs. Average hourly staff costs will need to increase by **£1.40** to meet the government's expectation that the National Living Wage will be a minimum of **£9.00** by 2020, not to mention the knock on effect of the progression to higher salaries which will also need to be addressed. This means, as one employer put it, 'getting more from existing staff', or in some cases 'fewer, but better staff'.

Staff retention matters as it is the single most important factor determining whether staff are fully competent in their business. Employers spend significantly on recruiting and retaining staff, but in many cases staff are not staying long enough to recoup these costs and fully contribute to the business. People 1st's conservative estimate is that labour turnover is costing the hospitality and tourism sector **£274m** per annum.

Many businesses are looking to increase retention rates by offering more transparent career pathways and pay incentives, reviewing rewards and recognition programmes and, on the back of the apprenticeship levy, looking at how new apprenticeship programmes can help internal progression. These are all positive developments, but one factor that often gets missed when looking at retention solutions is the extent to which women are more likely to leave the business than men.

Currently, there are **1.05m** women working in the hospitality industry, of which **49%** work in operational roles (540,737 employees) and **11%** in managerial roles (121,265 employees)

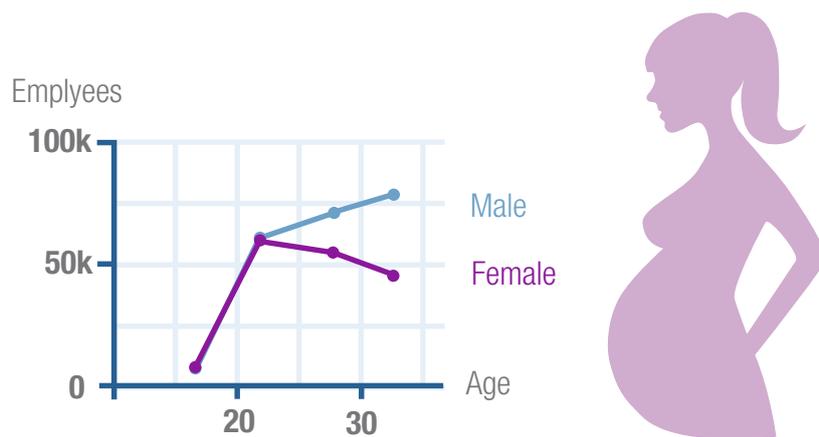
The number of women progressing into management roles continues to slightly increase. In the past **five years** the number of women in managerial positions has increased by **13,131**.



It's not a question of attracting women, it is the challenge of retaining them following maternity leave. To underline this, whilst the number of women in managerial positions has slowly increased, the number of women in **operational roles** has **increased** by **52, 202** since 2011.

¹ People 1st's definition of the visitor economy sector includes hospitality, retail, passenger transport, travel and tourism

The career trajectory of men and women is similar until the age of **22**, the number of women in the sector then starts to fall slightly before there is a steep decline at the age of **33**.



Whilst this trend is not unique to hospitality and tourism, sector businesses are finding it harder to retain and progress women after maternity leave. There are two key challenges facing many businesses.

The first is whether a business is offering, or indeed can offer, flexible hours to a female employee after maternity leave. Often there is a misconception that because the business offers flexible hours, this meets the needs of women returners. In reality, if these hours are not consistent it is impossible for someone to easily manage childcare commitments.

Businesses overcoming this problem are:

- Talking to their employee just before she is due to come back from maternity leave to understand her needs and as far as possible accommodate the required hours
- Regularly reviewing how well the employee is finding the return and making changes as a result
- Introducing job sharing, even at supervisory and management level
- Staggering an employee's hours to help their return back to the business
- Measuring the gender differences of labour turnover and asking specific questions about maternity leave in staff surveys
- Asking specific questions about balancing childcare commitments in exit interviews and taking action as a result
- Continuing to communicate with individuals who have not returned after maternity leave in order to keep the door open and highlight job and career opportunities.

Increasing the staff retention of female employees does not have to be onerous and most businesses can adopt at least some of these activities. Those businesses that are making the most success in this area are those that have tweaked their current people practices and are taking advantage of regular performance reviews, clear career pathways and succession planning. As one employer making positive progress in this area put it 'It's not about flashy initiatives. Making it work is about good communication with current and ex-staff and an understanding from both sides about what is do-able and not'.

Structural challenges preventing more women into senior roles

The number of employees working part-time and casually has increased enormously over the past five to ten years. This trend has helped keep businesses leaner, reduced costs and increased the flexibility to respond to changing customer demand.

Whilst it has been very beneficial for many businesses, the knock on effect in some instances has meant it has been harder to retain and progress staff into senior roles. This has been particularly the case when looking at female staff.

Currently, **65%** of all part-time roles in the hospitality and tourism sector are filled by women, rising to **82%** in contract food and service management and **72%** in hotels.

Part-time jobs are not in themselves a cause of high labour turnover. However, the rising number of women working as a second job in the sector highlights that some women are looking for longer hours and better opportunities.

Currently, **58%** of second jobs are filled by women and there are more than **3,000** women working as a second job in the sector than there were three years ago. The challenge for many businesses trying to increase staff retention and progression is that many women are in part-time roles that offer fewer progression opportunities. So for example, women make up the majority of those working in school and industrial kitchens, yet we still have a critical skill shortage for chefs, similarly whilst **71%** of waiting staff are female, they represent only **39%** of restaurant managers.

The extent to which a business can address these issues depends on the types of roles in their business and the career opportunities on offer. Businesses focusing on retaining and progressing more women, interviewed for People 1st's Women 1st campaign, are taking a number of approaches including:

- Redesigning job roles to increase hours and responsibilities
- Proactively identifying career opportunities elsewhere across the business that offers greater progression
- Offering job sharing opportunities at supervisory and management positions

Rising staff costs and the increasing emphasis on retention and progression provides an opportunity to think afresh about the types of career opportunities businesses are offering and whether job redesign and better career progression signposting and support can help increase staff retention.

Above all its time to look afresh at whether the retention of female employees can be increased by looking differently at the types of roles that women are filling.



Pay differentials for men and women

Across the hospitality and tourism sector the pay gap between men and women is narrowing, but women are still earning less than men. Is this discrimination or a reflection of the types of roles being filled by women?

Women are consistently earning less than men at an operational level, although these vary across different roles. The greatest contrast in earnings is between men and women working as cooks, with men earning on average **£4,358** more per annum. This contrasts to the increased **£1,863** that men on average are earning per annum working as chefs than women.

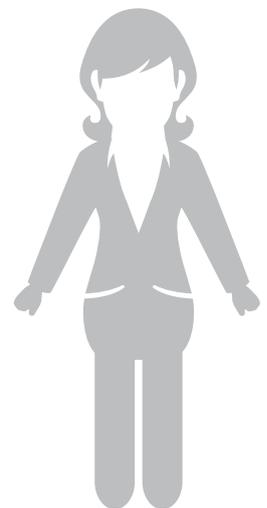
How much women earn less than men annually:

Cook		£4,358
Waiting staff		£2,153
Chef		£1,863
Bar staff		£1,824
Kitchen and catering assistants		£1,499
Receptionists		£1,165

Similarly, at managerial levels, women are consistently earning less. However, the pay differential is much more varied and is greater overall compared to operational roles:

How much women earn less than men annually:

Restaurant and catering managers	£34,464
Hotel and accommodation managers	£13,640
Conference and exhibition managers	£2,485
Publicans and managers of licensed premises	£548



The difference in pay is unlikely to be the result of any sexual discrimination, but rather reflect the types of setting that women tend to work. Cooks, for example, can be found across the whole sector, but it is a loose job term and can mean different things in different work contexts. Women tend to work as cooks in schools which pay less compared to cooks in restaurants, where more men are found.

Since 2009, the pay gap between men and women has narrowed and in some instances by considerable amounts. In 2009, women working as chefs were earning 53% less than men, whereas this has narrowed to 12%. Similarly, the gap for those working as receptionists has narrowed by 26% in the past five years. However, the gap between men and women working as catering and kitchen assistants has widened by four percent. Again, the term kitchen and catering assistants can mean different things in different work settings and the widening pay gap is likely to reflect pay curbs in the public sector where more women are found than any instances of discrimination.

At managerial level, the gap between male and female pay for those working as publicans has narrowed by 14% since 2009 and the gap for restaurant managers has narrowed by four percent. However, women are still earning on average 21% less an hour and is likely to reflect the pay differentials in different hospitality industries, where more women are found working in the public sector.

Recruitment and retention

The number of vacancies on offer across the hospitality and tourism sector continue to be high and are largely fuelled by high labour turnover. Recruiting staff is becoming increasingly difficult for many businesses given falling unemployment and so as a result more businesses are increasingly focusing on staff retention. However, much more needs to be done.

Skill shortages are still relatively high across the sector, with chefs being the most challenging occupation for which to recruit.

More information and support

People 1st delivers consultancy that enables its clients to retain staff, increase productivity and create and implement effective people strategies.

We are an impartial, trusted and effective strategic partner to our clients, working primarily across the hospitality, travel, tourism, passenger transport and retail industries.

From apprenticeship consultancy to occupational standards development, world-renowned WorldHost customer service training, 'train the trainer' programmes, labour market intelligence and insights and talent management support, we are passionate about transforming skills and development both internationally and across the UK's visitor economy.

For more than 50 years, we have been working to help businesses to become more competitive, attract and retain people in the sector, and challenge perceptions of the visitor economy sector as low-skilled and lacking career prospects.

To speak to one of our experts about how we can support the people development strategies in your business, get in touch:



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About the data used in this report

The data used in this document are analyses undertaken by People 1st using the following datasets:

Annual Business Survey 2014, Office for National Statistics

Labour Force Survey 2015, Office for National Statistics

Employers Skill Survey 2015, UK Commission for Employment and Skills

Working Futures 2014-2024, UK Commission for Employment and Skills