

HOW TO HIRE (AND KEEP) YOUNG PEOPLE IN HOSPITALITY – IN 3 STEPS



In association with

REED



NFU Mutual

INSURANCE | PENSIONS | INVESTMENTS

CONTENTS

Introduction
Foreword
1 Understand the challenge
2 Understand young recruits
3 Find your recruits and keep them

YOUNG RECRUITS ARE THE FUTURE OF HOSPITALITY



Darren Seward
Sector Specialist in Hospitality, NFU Mutual

“ Hospitality and tourism is the UK’s fourth-largest industry, supporting 4.49 million jobs and generating one tenth of our economic wealth.

But it is an industry faced with various challenges, such as finding and keeping the right recruits.

In August 2017, NFU Mutual surveyed 141 businesses involved in the hospitality sector about their confidence levels for the future.

Despite optimism about the overall outlook, the political and economic effect of Brexit (47%) and skills shortages (45%) were the two most common concerns for those businesses surveyed.

The British Hospitality Association (BHA) has warned of the long-term challenges of reducing the need for EU workers by training British staff and encouraging more people to take jobs in the sector. So it is no surprise that they and others have been lobbying the Government over the potential fall-out from Brexit after 2019, given the potential repercussions for years to come.

Although hospitality employs many young workers, with 29% of the workforce under the age of 21, the potential shortfall in jobs post-Brexit could create more great opportunities for young people.

If the industry is to attract and keep more young recruits over the next few years, it must understand Generation Y, or ‘millennials’, who are in their 20s and early 30s. The same is true for ‘centennials’ as they approach school-leaving age.

Now is the time to tackle barriers and misconceptions about the industry, for example that it is just a stop-gap while studying or preparing for a different career.

This guide sets out how to understand young people, recruit them into hospitality, and then keep them in the industry for as long as possible. ”

 www.linkedin.com/in/dlseward

 www.twitter.com/NFUM_DSeward

Email: Darren_Seward@nfumutual.co.uk

Phone: 01789 443 233

TIME TO INSPIRE YOUNG, HOME- GROWN RECRUITS



Ufi Ibrahim

Chief Executive of the British Hospitality Association (BHA)

“ There are few industries that can match the career prospects offered by the hospitality industry to entrants of all skill levels. However, the UK labour market is highly competitive. With the lowest levels of unemployment for the past 42 years, several industries are competing in the same talent pool as hospitality employers.

One of our main concerns is the position of existing EU workers in the UK who are crucial to the ongoing success of hospitality. Then there is the matter of how many EU migrants will be allowed to enter the country after the two-year negotiation period is complete.

Without future EU migration the hospitality industry would need upwards of 60,000 new workers per year in addition to the ongoing recruitment of over 100,000 workers required to replace churn and to power growth.

At the same time, we have an ambition to encourage more UK nationals to seize the career opportunities available in hospitality.

Hospitality services are delivered by people for people. As people-intensive businesses, our employers make significant investments in attracting and recruiting staff, whether it be through campaigns to inspire jobseekers or innovative recruitment practices.

Hospitality was the first industry in the UK to launch a strategy for attracting and recruiting a substantially higher proportion of our workforce from the UK post-Brexit, but we stress the need for continued albeit declining access to the EU workforce over time.

Our ten-year strategy relies on the support of the UK Government, especially urgently needed policies to improve vocational education, careers advisory services and skills development. Similarly, the industry needs the backing of governments in Scotland and Wales.

This guide addresses ways in which our industry may engage the next generation of hospitality workers and leaders, and what makes Generation Y and centennials tick when they consider a job or career.



1

UNDERSTAND THE CHALLENGE

Changing times for hospitality

“
If your customers have a bad experience, it’s likely that they just won’t come back.
”

Darren Seward, Sector Specialist in Hospitality, NFU Mutual

EU citizens are uncertain about their ability to live and work in the UK after Brexit. This should ring alarm bells in the hospitality sector.

A report by KPMG for the BHA says 75% of waiting staff, 37% of housekeeping staff and one quarter of all chefs are from the EU.

Ufi Ibrahim says: “We want to avoid a cliff edge and to ensure the Government recognises that in the medium- to long-term, we will still need considerable numbers of EU workers, who have contributed so much to our industry and the UK economy in general.”

So the time to take action is not post-Brexit, but now; 2017 has already seen a sharp drop in the numbers from other EU countries searching online for UK jobs.

WHAT ARE THE RISKS FOR EMPLOYERS?

Small to medium-sized enterprises (SMEs) in hospitality risk severe uncertainty if they do not find alternatives to EU staff. It is a matter of survival – not hiring simply isn’t an option.

Bill Dawes, Area Manager at Reed Hospitality & Leisure, says: “The industry has noticed there are skills shortages and they are not attracting the number or the quality of people required to support an industry this big.”

Darren Seward says: “Anybody who has been in a busy restaurant that is short-staffed can feel the impact it has on the service, be it long delays or poor quality. And if your customers have a bad experience, it’s likely that they just won’t come back.”

He adds: “You put your staff at risk too. When they’re stretched and forced to rush, it leads to accidents





“When staff are stretched and forced to rush, it can lead to accidents and injuries. It all has a damaging effect on your business long-term.”

Darren Seward, Sector Specialist in Hospitality, NFU Mutual

and injuries. It all has a damaging effect on your business long-term.”

SO WHAT NEEDS TO CHANGE?

The BHA urges the Government to tackle the skills gap by trying “to encourage more UK nationals to see the career opportunities available in hospitality and tourism”. But the responsibility also lies with the SMEs who will feel the direct impact.

Bill Dawes feels good training would help young people feel valued in their role. “We need

a more systematic approach to training and people development.”

To show young, skilled workers the potential of a career in hospitality, employers must get into their shoes.

Sarah Summers at iconic Scottish hotel The Crieff Hydro says: “We need to find out what millennials actually want from a job, give them a reason to come to us in the first place and a reason to stay with us.”

2 UNDERSTAND YOUNG RECRUITS

It's not just about money

“A better understanding of young people’s goals will better equip our industry to recruit in today’s highly competitive labour market,” says Ufi Ibrahim.

Employees move around a lot more than they used to. Millennials are much more open to switching from one employer to another – a trend unlikely to reverse for centennials.

But they aren’t switching jobs simply to chase more money. According to a London Business School survey, there are three factors more important than salary:

- 1. Work-life balance:** Not working fewer hours, but offering flexibility wherever possible on the hours and place of work.
- 2. Organisation culture:** Employees want to be cared about, and people around them to be looked after.
- 3. Development opportunities:** These aren’t just promotions: “They can be learning programmes, mentoring, international assignments, secondments, shadowing, projects or coaching, to name a few,” says LBS executive director Adam Kingl.

“Paying a little more attention to these benefits enjoys the double advantage of being not only relatively easy to implement,” adds Kingl, “but easier on the budget than purely monetary rewards.”

Looking after young talent makes it more likely that they will feel valued and stay in the industry – and may even come back to you.

Bill Dawes says: “You are not hiring people who are going to stay forever. Ultimately, you need to



Keeping young people: Crieff Hydro

The Crieff Hydro family of hotels uses a blended learning approach, including face-to-face training and an online learning & development platform with a mixture of bespoke and off-the-shelf modules. There's also a careers portal and the team use their own social media pages to help spread the word

about recruitment. Team referrals is still one of the biggest sources of applications. Sarah Summers, Employee Relations Manager across the family of hotels, says: "By investing in our people, through our own comprehensive in-house training complemented by the support of Modern Apprenticeship programmes, we reap the rewards of having a well-trained, knowledgeable and

loyal workforce. We get involved with local schools to promote hospitality as a career and to educate on the wide variety of job roles available." Through investing in its people, Crieff Hydro appoints 96% of its team leaders/supervisors internally, and offers opportunities in a wide range of front and back-of-house roles including food & beverage, maintenance, IT and finance.

“

You are not hiring people who are going to stay forever. Ultimately, you need to encourage people to stay within the industry.

”

Bill Dawes
Area Manager, Reed
Hospitality & Leisure

encourage people to stay within the industry. And you want them to go and talk about you and tell people: 'I really enjoyed my time there'."

SHOW PEOPLE THEIR VALUE

While money isn't everything to millennials, it is still important.

Dawes says: "Entry level pay is really poor. It is somewhat being addressed within London and the public sector, but a lot of the private sector is only paying the National Living Wage and it needs to be addressed. Waiters and baristas are earning £7.50 an hour; they are worth more than that - they do a hard job."

Darren Seward says: "Paying your staff well gives them the incentive to stay on. Then employers can make savings on recruitment and

training because there is far less staff turnover."

TACKLE MISCONCEPTIONS

Young recruits want to feel valued, but the image of hospitality portrayed in the media can be off-putting.

Dawes says: "Gordon Ramsay swearing in the kitchen and the Hotel Inspector going round to failing businesses makes good TV, but it doesn't give us a good press."

Misconceptions that hospitality employees are underpaid and unhappy may be why more young people don't consider it to be viable for a long-term career.

Dawes says: "It's seen as a stop-gap while you are at college looking for a career. But there is a career in hospitality, you can work your way up very quickly if you are interested and genuinely want to do it."

SMEs must show young people that a career in hospitality is valuable and rewarding, particularly centennials, who will be thinking about their options as they finish school. That is why it is vital to connect with them in a way that is genuine and authentic.

Try this: instant fixes

1. Show your potential recruits what your company is all about on social media. Reflect your values and show that your staff enjoy working for you.
2. Offer staff a 'refer a friend' hiring bonus, which can save you money on recruitment costs and makes staff feel their input is truly valued.
3. Have a page on your website about pay, work-life balance and other benefits of working at your business.

3

FIND YOUR RECRUITS AND KEEP THEM

Almost three-quarters of 18-to-34 year olds found their last job through a social network, according to Aberdeen Group.

.....

“
Building a following on social media will help you to reach more recruits with your job posts.
”

Darren Seward, Sector Specialist in Hospitality, NFU Mutual

The right social strategy can help cultivate two-way relationships with potential talent, and spread the word about what it is really like to work for your organisation. The right tone, one that genuinely reflects your culture, is vital.

A great example is Deliciously Ella, which began as a blog, before opening its first deli in 2015 with four employees. Within 12 months, it grew to a team of 70. Creator Ella Mills spends hours each day on social media engaging with her ‘community’, a process which helps to show young recruits what the company is all about.

Building a following on social media will help you to reach more recruits with your vacancies. This can be done effectively even on small budget. Here are some simple tips to get you started:

- Offer promotions that encourage people to follow you, such as free items or discounts.
- Create and publish topical content that shows your sector expertise.
- Ensure that your content and social posts portray your ideal brand image.

- Actively engage with followers online, talk to them and encourage them to visit your job page.
- Give the strategy some time to take effect.

DON'T ABANDON THE TRIED-AND-TESTED METHODS

.....

Traditional recruitment methods live on, in the form of online advertising and offline initiatives, such as job fairs.

Build relationships with local schools and colleges and help change perspectives early on, or look into government-sponsored schemes such as apprenticeships. Firms with fewer than 50 staff could



qualify for a £1,500 apprenticeship grant to help cover the cost of recruiting apprentices aged 16-24.

“Employers are now working with colleges offering mentoring schemes throughout students’ first years and providing more support for new entrants,” says Dawes.

Word of mouth is another key part of reputation-building both offline and on social media, but it is also an outcome of how your business treats people. If an employee enjoys their time with you, their experiences will more likely be shared online, enhancing your reputation as a prospective future employer.

LOOKING AFTER YOUR TALENT

Young people need to feel welcome, empowered and valued in order to settle quickly. This can be done by making sure your training is robust and doesn’t just feel like a waste of time.

Inform young recruits about any HR policies at your company, for example how to give feedback or make holiday requests. Let them know what they are entitled to and stick to it, for example with pensions or any benefits, such as private medical, if available.

Dawes says: “SMEs need to put training and investment in place, to support people throughout their career and be interested in them and their development. People need to feel cared about.”

The National Youth Agency recommends the following measures to make young recruits feel included and more assured:

- Financial help with issues that are often tough for younger staff and apprentices who are new to full-time employment, for example tax and how to budget.
- Companies could use ‘health checks’ and action plans to review how they listen to young staff and respond to their needs.
- Training for senior staff and managers in working with younger recruits.

Now is the time to help young people understand the long-term prospects of a career in hospitality. Following the steps in this guide is a great way to get started.

When you’re up and running, here are some social media dos and don’ts

DO

- ✓ Make sure your company culture and values are clear. This is paramount for millennials and centennials.
- ✓ Avoid off-putting industry jargon that people outside the sector might not understand.
- ✓ Be careful to adhere to laws on data protection.
- ✓ Include your current employees – encourage them to share job opportunities on their personal channels.

DON’T

- ✗ Presume all social media sites are the same. Unique tactics are needed for each.
- ✗ Just post job vacancies on your social media channels.
- ✗ Post something out of character for the company that could become a PR incident.
- ✗ Expect jobseekers to do all the work – try to actively connect with them.

ABOUT NFU MUTUAL

Insurance that's all about your business

Whatever the profile of your business, from small independents to large national businesses, NFU Mutual Insurance is all about you.

.....

As a mutual organisation, our customers are our members, so we're proud to offer a range of products designed to meet our customers' needs – from the independent coffee shop right up to a large chain of hotels. We're recognised for our financial strength so our customers can trust us to deliver on our promises.

Regardless of the size of your business, there is so much to think about when you open your doors to your customers, from the health and safety of your staff and customers to food hygiene and staffing levels. You may be at risk of business interruption through any number of issues – cyber attacks, damage to your property, the loss of a major supplier or customer, the loss of a key person through illness, or an outbreak of food poisoning. But

you're not alone. NFU Mutual can help you plan for the unexpected and get you back on your feet should things go wrong.

Our network of specialist local Agents work extensively with the hospitality and retail industries – everything from local coffee shops, to a chain of restaurants or food stores and urban chic hotels. Not only do they understand your industry, but they're also on your doorstep to provide a local personal service. They'll meet you face to face to build a personal relationship and understand your requirements. Only then will they recommend either commercial insurance package products or advise you on tailored cover. Agents are also supported by a team of experts – underwriters, surveyors, loss adjusters, even buildings valuation experts. Experts all accessed through one single NFU Mutual point of contact.

To keep business running smoothly, they can recommend a wide choice of NFU Mutual products and services.

YOU NEED TO KNOW

.....

NFU Mutual Financial Advisers advise on NFU Mutual products and services and selected products from specialist providers. We'll explain the advice services on offer and the charges. Financial Advice is provided by NFU Mutual Select Investments Ltd.

Business insurance – We offer our commercial insurance products or can advise you on tailored cover to match your specific business needs. But whatever insurance you take we always guarantee a no quibble claims service.

Risk Management Services – Our health and safety consultants from NFU Mutual Risk Management Services Ltd are committed to providing the highest level of guidance and advice on health and safety within your business.

Financial Protection – We can offer access to a range of products from protection for loss of key person and director's liability to investments and employee benefits such as pensions.

THE NEXT STEP

The right insurance starts with the right conversation.
So contact your local Agent today by visiting
www.nfumutual.co.uk/branches

For more information and advice on a range of
services for hospitality businesses, visit
www.nfumutual.co.uk/business or speak to our
Sector Specialist in Hospitality, Darren Seward:

 www.linkedin.com/in/dlseward

 www.twitter.com/NFUM_DSeward

Email: Darren_Seward@nfumutual.co.uk

Phone: 01789 443 233

If you'd like this document in large print,
braille or audio, just contact us.



NFU Mutual

The National Farmers Union Mutual Insurance Society Limited (No.11982). Registered in England. Registered Office:
Tiddington Road, Stratford upon Avon, Warwickshire CV37 7BJ. Authorised by the Prudential Regulation Authority and
regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

HRG-REP-1017