Industry insight - Hospitality

In a nutshell

The hospitality sector includes all businesses that provide food, beverages, and/or accommodation services. This includes restaurants, pubs, bars and clubs, hotels, contract catering, and hospitality services.

The industry is known for its fast pace, hard work and high turnover. As with most other sectors, employment opportunities stalled in 2009 due to the recession but long-term employment trends are positive.

58% of the workforce is female, 45% of workers are under 30, 14% are from black or minority ethnic (BME) backgrounds, 54% work full time, 8% are self-employed and 20% are migrant workers.

(Source: People 1st State of the Nation Report 2010/People 1st Sector Skills Assessment for the hospitality, leisure, travel and tourism sector 2010).

What kind of work can I do?

Graduates are increasingly being sought by employers to go into a wide range of management and operational roles.

- Hotels offer careers in management, event organisation, restaurant and bar work, as well as a range of operational roles, including finance, IT, human resources and marketing.
- Careers in restaurants include general and food service management roles. Larger restaurant chains also have opportunities for business/finance managers, and operational staff.
- Pubs, bars and clubs offer opportunities in licensed retailing, management, promotions and event organisation.
- Contract catering involves providing professional food services within organisations such as hospitals, schools, universities, entertainment venues and large public and private sector businesses.
- Other industries in the sector include holiday centres and visitor attractions.

A useful career map of the different industries and roles in the sector can be found on the UKSP website.

The following profiles are examples of key jobs that exist in the hospitality industry.

- Accommodation manager
- Catering manager
• Conference centre manager
• Event organiser
• Fast food restaurant manager
• Fitness centre manager
• Holiday representative
• Hotel manager
• Outdoor pursuits manager
• Public house manager
• Restaurant manager
• Tour manager
• Tourism officer

For even more career ideas, take a look at types of jobs.

What’s it like working in this industry?

Hospitality is a busy, fast-paced sector where employees have to flexibly adjust to new challenges in order to address the needs of customers.

- Working in contract catering, providing meals in schools, hospitals and staff restaurants can be a nine-to-five job, whereas working in restaurants and pubs can mean longer but more flexible hours.
- Working in hotels usually means longer hours but promises a wide variety of jobs and opportunities for early responsibility.
- Many occupations within the sector may be appropriate for those seeking flexible working hours or part-time work but People 1st report that part-time workers are more vulnerable in an economic downturn.
- The industry is noted for its high level of labour turnover, and this currently stands at 31% (People 1st State of the Nation Report 2010).
- Although 56% of the workforce is female, the number of women working in senior management positions in the hospitality industry is very low (People 1st The case for change: Women working in the hospitality, leisure, travel and tourism sector Report 2010).
- Salaries vary and depend on the size of the company, the amount of responsibility involved and the type of organisation. Sometimes packages can include profit-related pay, subsidised accommodation or meals, pension schemes and health insurance.
- Typical starting salaries for a trainee hotel manager can range from £13,000 to £19,000, although entrants with experience may earn more. Salaries vary widely depending on location and the size of the organisation. Starting salaries for a restaurant manager range from £16,000 to £20,000. Entry-level salaries in event management range from £19,000 to £25,000, although performance-related pay/commission/bonuses are typical.
- The hospitality sector employs about two million people in 206,000 outlets across the UK and accounts for 4.5% of the UK’s total economic output, more than agriculture, forestry, fishing, energy, and water supply combined.
- 31% of the workforce works in restaurants, 16% in bars/nightclubs and 12% in hotels (People 1st Sector Skills Assessment 2010/People 1st State of the Nation Report 2010).
- London and southeast England have the largest proportion of hotels, bars and restaurants, although vacancies exist across the UK.
The demand for staff has remained relatively strong in businesses which operate as part of a chain and those in tourist hot-spots such as coastal settings.
There will be an increase in the amount of hospitality related jobs available as a result of the London Olympics in 2012.
The website CareerScope has wide ranging information about careers in the hospitality industry and may give you ideas about what section of the industry interests you.

Further information

- Association for Conferences and Events (ACE)
- British Hospitality Association
- Hospital Caterers Association (HCA)
- Institute of Hospitality
- The Nationwide Caterers Association

Entry and progression

How do I find a job?

- Graduate training schemes exist with larger organisations such as restaurant and hotel chains.
- There are also opportunities with smaller businesses, such as exhibition venues and events management companies, and independent restaurants, bars and hotels.
- Generally, hotels, restaurants and bars offer more opportunities. It can be more difficult to get into events management.
- Work experience is crucial in this sector and many graduates get into management positions after working for a significant period in operational roles.
- Student and graduate vacancies can be found on the UKSP website.
- Jobs are also advertised in the trade press or on specialist websites, such as Caterer & Hotelkeeper, Hcareers or the Caterer.com. There is a range of specialist recruitment consultancies in every region of the UK.
- It can be useful to make speculative applications or to visit businesses in person to see if they are hiring, particularly for part-time or vacation work.
- Hotels often advertise specific vacancies locally, which can provide an entry route for graduates wishing to work in a specific location.

Find out more about interview tips, job application advice and CVs and covering letters.

What skills do I need?

- The Institute of Hospitality has identified communication skills, interpersonal skills, team working skills, problem solving, numeracy and IT proficiency as key employability skills in the sector.
- Other key attributes are enthusiasm, adaptability, an ability to work hard and commercial awareness.
- Graduates from hospitality-related disciplines are preferred, but most employers accept candidates with other degrees as long as they have already worked in the sector.
Where can I find work experience?

- Most hospitality-related degree courses provide industrial placements or work-related modules.
- You can gain relevant experience through voluntary work such as helping to organise events or working in care homes or for charities, or through paid part-time or vacation work.
- If your degree is not in a hospitality-based subject, schemes exist to help you gain accreditation for relevant experience within the industry. For example, the Institute of Hospitality’s HAVE Scheme, and the various work experience opportunities offered by Springboard.
- Many large hotel and restaurant chains offer one-year placement or holiday schemes across the UK and sometimes internationally.
- Due to the shortage of staff in the hospitality industry and high turnover, it can be easy to gain relevant experience in entry-level positions, such as food and beverage service, cleaning or customer services.

Is postgraduate study useful?

- Many universities offer postgraduate courses in hospitality management, open to graduates of any discipline.
- Look for courses which involve practical relevant placements and good networking opportunities.
- Although relevant postgraduate qualifications may be useful, employers place most value on work experience, an understanding of the sector and key skills.

How can my career develop?

- There are many different career paths and specialisations within the hospitality industry. Many people will start in entry-level jobs, such as waiting tables in a restaurant, or housekeeping in a hotel.
- Opportunities for progression exist for dedicated staff.
- Moving to a different employer or relocating may sometimes be necessary in order to progress.
- There is usually a wider variety of positions to explore within larger organisations, whereas a position with a smaller employer may involve a broader range of activities and responsibilities.
- Many employers are likely to provide training and/or support part-time study in order to address the issue of skills shortages.

Further information

- Caterer Global
- People 1st - The Sector Skills Council for the industry

Typical employers
Major employers include hotels and other accommodation providers, restaurants, bars, conference and event organisers, contract caterers and other hospitality service providers. These businesses vary in size, and may be independently owned or part of a larger chain.

The hospitality industry is represented by a number of professional bodies, many of these are listed below.

**Big players**

**Whitbread PLC**

Whitbread PLC is one the UK’s largest hotel and restaurant group. It employs over 35,000 people, and consists of a number of brands including Premier Inn, Brewers Fayre, Beefeater, Table Table and Costa. Opportunities for graduates include management, area management, various head office roles, kitchen management and chef positions, and a graduate finance scheme.

**Mitchells & Butlers**

Mitchells & Butlers is another giant hotel and restaurant group based in Birmingham. The company employs about 44,600 people and runs around 2,000 managed pubs, bars and restaurants throughout the United Kingdom. Its brands include Harvester, Toby Carvery, O’Neil’s. All Bar One and Browns. Students can start their careers at Mitchells & Butlers by applying for an undergraduate year out programme, a retail graduate scheme or a corporate graduate scheme.

**Compass Group**

Compass Group is a market leader in providing food and a range of selected support services to customers in the workplace, in schools and colleges, in hospitals, at sport and leisure venues, and in remote environments. The Group operates in 55 countries and employs more than 55,000 people in the UK. Recognisable in-house brands and franchises include Starbucks, Upper Crust, Burger King, Ritazza, Coyote Jack’s and Steamlicity.

**Hilton International**

Hilton Hotels is a globally recognised employer, operating ten brands across 3,400 hotels in 80 countries. Hilton offers the Elevator General Management Programme in which graduates work in the four main hotel business areas of operations, business development, human resources and finance. The programme consists of an initial 18 month training period, in which graduates complete two or more international placements, so you will need to be internationally mobile, and be able to speak English plus one other European language. The chain also offers the Hilton Finance Graduate Development Programme.
Intercontinental Hotel Group (IHG)

The Intercontinental Hotel Group (IHG) comprises seven brands including Holiday Inn and Crowne Plaza and operates 4,500 hotels in over 100 countries. The IHG UK and Ireland Graduate Programme offers the opportunity to become a general manager or area revenue manager within five years. During the first two years, trainees gain experience in two hotels based in the UK. Each hotel sets its own individual projects linked to an individual training plan that is supported and mentored by professionals. Graduates also attend centralised training courses run by experts in their field. The IHG website also has a searchable database of its global vacancies.

McDonald’s Restaurants

Ranked 79th in the 2010/11 Times Top 100 Graduate Employers, McDonald’s operates a Trainee Business Manager scheme, which includes an intensive 20 week management development course. There are also opportunities to work in head office roles.

Small to medium-sized enterprises (SMEs)

SMEs are organisations with less than 250 employees and an annual turnover of no more than £44 million. Working for a smaller company can be rewarding because you are more likely to forge a path for yourself within the company, although opportunities to try other departments may be limited.

SMEs are unlikely to use the testing and assessment techniques of larger companies, or follow lengthy recruitment procedures. SMEs are more likely to advertise their vacancies through the local press, university careers service bulletins, local graduate vacancy listings, jobcentres, and word of mouth, rather than rely on their reputation and a presence at graduate recruitment fairs.

The majority of hotels and restaurants in the UK are independently owned and operated. These organisations tend to promote talented staff from within their own workforce so there are often good long-term career prospects for committed students and graduates who start in entry-level positions. Your university careers service should have listings of jobs with small firms. You could also deliver your CV to local restaurants and hotels.

Self-employment

According to the SME Statistics for the UK and the regions (Department for Business, Innovation and Skills 2009), 9% of all people working within the hospitality sector are self-employed, with the majority owning a restaurant or managing a hotel.

Running your own business requires a broader set of regular responsibilities, from greeting guests to managing finances so experience and an understanding of the sector are essential.

Freelance work is common, especially in events management.
Opportunities abroad

- The hospitality sector is truly international, and skills and experience gained in one country can be used in similar jobs throughout the world.
- In recent years, both increasing globalisation and the relaxation of border controls within the European Union have resulted in more opportunities to travel and work overseas.
- Temporary seasonal work in the sector is often available in restaurants and bars in tourist areas.
- Your chances of finding a job overseas and developing your career in another country rely heavily on your language skills and cultural sensitivity.
- The hotel industry is a particularly big employer, as many hotel groups are international and provide opportunities to move around the world.
- International employment schemes have been designed to give students experience of working overseas, and many of the sector’s graduate training schemes also include international placements.
- Overseas hospitality jobs overseas are advertised on a range of websites such as Catererglobal and Eures - European Job Mobility Portal.
- Job descriptions and vacancies on cruiseliners can be found at Cruise Services and Seabourn Careers.
- If you are looking for temporary work overseas in restaurants and hotels you could either approach employers when you arrive or arrange an organised placement before you go.
- A wide range of UK organisations help students find temporary hospitality work overseas during the summer vacations such as BUNAC and Camp Counselors (CCUSA).

Will my qualifications be recognised?

Relevant experience and qualifications are portable around the world, although language skills will increase the opportunities available.

Future trends

Economic prospects

The number of people working in the sector fell dramatically in 2009 due to the recession, but employment levels have since recovered.

Employment prospects on the whole are strong and it is predicted that over a million new employees will be required in the sector by 2017.
The demand for graduates is expected to grow as 69,000 more managers are expected to be needed over coming years.

Trends across the sector are mixed. The number of bar staff has declined by 30% since 2005 but the decline is slowing. The number of conference and exhibition managers has increased by 100% and is expected to continue growing, as is the number of hotel and accommodation managers.

Employment is expected to grow most quickly amongst budget operators such as fast-food outlets, takeaways, and cafes.

A number of factors are still expected to limit growth in the short term, such as:

- Rising costs (i.e. fuel, food and wages).
- A weak pound.
- New immigration controls, which will lead to an upward pressure on wages.
- Delays in adjusting to the needs of an ageing population.

The calibre of applicants in the sector is steadily rising, so qualifications and experience are becoming ever more important.


**Customer demand**

The recession and the increasing use of the internet means customers have more sophisticated and critical shopping habits. Shopping around, buying cheaper brands, buying less and looking for ethical brands are all current patterns of customer shopping behaviour.

**Skills shortages**

In most of the UK, 4% of employers in the sector have roles which are difficult to fill, but in Scotland the number rises to 39%.

Two roles which are expected to remain in high demand are:

- Skilled chefs (including Asian and Oriental chefs and senior chefs).
- Managers.

Continuing skills gaps in the industry include:
• Customer service.
• Communication.
• Multi-tasking
• Marketing and sales

(People 1st, Sector Skills Assessment for the UK Hospitality, Leisure, Travel and Tourism Sector 2010)

Corporate Responsibility

The majority of large businesses within the industry advertise their commitment to environmental issues, their active involvement in the communities in which they operate, and their charitable donations. Organisations are keen to demonstrate that they can further their business objectives while still ‘doing the right thing’.

Outsourcing

Increasing numbers of operators, including educational institutions, local authorities, healthcare providers and other businesses have outsourced hospitality facilities in order to concentrate on their core business and drive down costs. This has presented huge opportunities for food service providers and contract caterers.

Fragmentation of hotel industry

There has been an increase in ‘no-frills’ and budget options, most notably within the hotel industry. Hotels are now classed as ‘business’ or ‘leisure’ hotels and there are almost two separate markets for ‘luxury’ and ‘budget’ hotels, with mid-market (mainly three-star and below) hotels falling between the two.

Alignment of pubs and restaurants

A ban on smoking in all enclosed public places came into force in Scotland in March 2006 and was introduced to England and Wales in July 2007. This continues to have an effect on the industry, most noticeably for pubs and bars. Pub food has become more important and is now challenging the restaurant industry. The growth of the ‘gastropub’ and the increase in the number of pubs offering cheaper food options has also increased competition across the sector. There has also been a move towards a coffee-shop culture, with pubs and bars serving more coffees.

Conferences
There has been a slight shift away from residential conferences to day conferences. Average rates showed a decline in the daily delegate rate for residential conferences but a marginal increase for non-residential. The conference and meetings market remains highly competitive but venues report a general tightening of budgets and a move towards shorter and smaller conferences. A key emerging trend is shorter lead booking times, with many venues indicating that this is now the norm.

**Technology**

A number of technological advances are changing the way the industry operates. Many of these innovations are designed to reduce staffing costs, increase productivity and offer customers a wider and more informed choice. Current developments include:

- A steady growth in the use of the internet to purchase goods and services.
- Faster broadband technologies enabling a wider range of internet services.
- Online booking and checking-in facilities.
- A growing use of User Generated Content (UGC) websites such as TripAdvisor.
- Advances in mobile phone applications.
- Database mining techniques to find new customers.
- The use of social networking sites to find new customers.

**Jargon buster**

- **BAR** - best available rate
- **CRM** - customer/client relationship management
- **+ DDR** - the daily delegate rate for conferences and events.
- **HLTT** - the hospitality, leisure, travel and tourism sector
- **Occupancy** - the proportion of bedrooms available during a period.
- **Outlet** - any catering unit (or part of a catering unit) that is separately operated and managed.
- **Revpar** - is the total bedroom revenue for the period divided by the total available rooms during the period.
- **Room rate** - is the total bedroom revenue for a period divided by the total bedrooms occupied during a period.
- **Tronc** - the system of pooling tips and gratuities among waiters and waitresses in hotels and catering.
- **UGC** - User Generate Content on websites.

**Case studies**

**Senior headwaiter: Katie Lister**
Katie studied Tourism and Hospitality Management at Robert Gordon University, graduating in 2006. She now works as the senior headwaiter of the private dining department at The Gleneagles Hotel in Scotland.
At university I undertook a university placement at the Carnegie Club at Skibo Castle where I achieved supervisor level. After graduation I was appointed to the post of Food and Beverage Supervisor at Skibo where I achieved levels 1 & 2 of the Wine & Spirit Education Trust and was awarded a 3-day course at a vineyard in France. As supervisor I developed new policies and procedures such as a staff induction pack. In 2009 I spent 5 weeks working at a private resort in Hawaii.

In 2010 I moved to the Gleneagles Hotel as head waiter and achieved a HIT Scotland Junior Management Scholarship. I also achieved the Annual Award of Excellence for the Academy of Culinary Arts. In 2011 I became an Ambassador for Springboard and joined a panel of judges to evaluate the Future Talent Restaurant sponsored by the Federation of Chefs. In July 2011 I was appointed into my present role. One on my greatest achievements has been recently becoming a finalist of the Savoy Gastronomes Olive Barnett Award 2011.

My role as senior head waiter is to oversee the day-to-day running of the operational side of events including weddings and business meetings for 2-300 people.

Challenges within my role occur on a daily basis. My most recent challenge was when I had a function for 200 people who were all expecting to go to the main bar which was not available. In order to resolve this issue I quickly made up a temporary bar and the guests were totally unaware of any problems.

Overcoming challenges and using my creativity is what I love most about my job. I leave each day with a sense of satisfaction knowing that my guests have enjoyed their time with us and that I have led my team successfully.

For all those who wish to join the hospitality industry, I have a few pieces of advice:

- There are highs and lows within every shift but learn from your mistakes and begin each day realising you can make a difference.
- Don’t be afraid of hard work - the hours can be long and it can often be difficult to work when others are enjoying themselves. Take the opportunity to network and meet new people. The friendships I have made have led to international holidays and work experience.
- Be creative. The industry is changing and evolving and needs enthusiastic and creative people. Offer your suggestions at meetings and get involved.

Hard work, creativity, confidence, determination and pride will take you far in one of the fastest growing industries in the world.

**Purchasing support analyst: Omar Faruq**

*Omar completed a degree in Mathematics and Computer Science at King’s College London in 2009 and now works at Aramark Limited - a tailor-made food service and refreshment solutions service - as a purchasing support analyst.*

After university I worked for six months in a web design based role on a Future Jobs Fund contract arranged through Springboard UK. I then started my time at Aramark in a web design based role where I worked on the company’s e-trading site by displaying various promotions and news stories. As time passed I gradually began to gain more responsibilities in areas such as data analysis and statistics which I carried out in addition to my web design work.
I was then successful in securing a support and analysis position with Aramark. This role still contains the work I did previously but also involves a number of additional responsibilities such as analysing various types of data and using this to produce reports for my senior colleagues. I also help to maintain our department’s query mailbox where I am required to answer queries posted to us from our units and suppliers.

I am able to use a number of the skills I learned during my time at university, in my current role, such as web programming and spreadsheet work.

A normal day consists of responding to mailbox queries as they come in throughout the day as well as publishing new information on our trading website. Other tasks such as data collection for our buyers and liaising with suppliers for product images and promotions also contribute to the normal working day.

I thoroughly enjoy all parts of my role, from the web design based part to the support side. It can be challenging when a number of queries enter the mailbox at one time but I find helping solve these queries gives me a great sense of satisfaction.

My personal experience has been very positive and I am lucky to work with great colleagues and management and to have had very useful support from Springboard UK, who are still in touch with me now.

I am really enjoying working in the hospitality industry and being part of a team that provides support to a number of catering establishments. This is an interesting job sector to work in and I would definitely recommend new graduates consider working in this field.

Written by Steve Rook, AGCAS, July 2011

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