

**“Where are the staff?” Where did they go? From Brexit, Covid ‘19 and Cost Hikes to HR Leaders struggling to fill the talent gaps” – Navigating uncertainties in the UK Hospitality Workforce Market.**

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Members of the United Kingdom (UK) voted to leave the European Union (EU) in 2016, with the official exit taking place on January 31, 2020. This event, colloquially referred to as **“BREXIT,”** ended the UK’s 47-year membership with the EU. The decision to leave the EU divided UK society, with some seeing it as a chance for the UK to **“take back control”** and rebuild its status as a global superpower, while others saw it as a regressive move, severing invaluable ties with their closest geographic and political allies. The **“Brexit of 2016–2020”** has brought about a great change in the way in which the UK interacts with Europe and the rest of the world.

One of the major impacts on the UK hospitality workforce market has been the UK’s decision to leave the EU. The UK hospitality industry is facing a perfect storm of challenges that have left many HR leaders scratching their heads and wondering, **“Where are the staff?” and “Where did they go?”**. The once-thriving workforce now seems to have disappeared, leaving many establishments understaffed and struggling to keep up with the demand. The skills gaps in the UK hospitality workforce have been a topic of concern for some time, particularly since the UK voted to leave the European Union in June 2016.

The UK hospitality workforce itself falls short in terms of both quality and quantity of staff. Levels of skills and motivation amongst job seekers in the UK are often low. This is particularly true for young people and is a problem given the sector’s propensity to employ staff from this demographic. At the same time, the UK education and training sector provides relatively few qualifications that are directly relevant to hospitality, and a shortage of candidates with the required skills, abilities, and qualifications is a recurring theme for many employers. It is common in the industry to recruit workers with good basic skills and train them **‘on the job’**. The landscape of HR has been the subject of drastic change of late, with the political and economic turmoil of Brexit having stirred the pot and the Covid-19 pandemic quite literally flipping the kettle. From the impact of Brexit and Covid-19 to rising costs and labour shortages, the hospitality workforce market in the UK is more uncertain than ever.

Prior to Brexit, the industry heavily relied on EU nationals to fill crucial roles, ranging from chefs to housekeeping staff. However, with new immigration regulations and uncertainties surrounding residency rights, many skilled workers have either returned to their home countries or chosen to seek employment elsewhere. This awkward situation, where the best person for the role may be identified as a non-native candidate, creates a dilemma given the uncertainty surrounding the right to work. This is likely to present time-consuming and costly issues if the employer cannot find a settled-status worker to fill the role. A previous survey by the CIPD revealed that 22% of employers expected to hire more staff from outside the UK after Brexit. For

these employers, the ability to access the right talent easily and cost-effectively has been imperative.

Just as the industry began to grapple with the challenges posed by Brexit, the emergence of the Covid-19 pandemic dealt another devastating blow. Lockdowns, travel restrictions, and social distancing measures brought the hospitality sector to a standstill, forcing businesses to furlough or lay off employees en masse. Ongoing concerns about workplace safety and the risk of infection have further complicated efforts to attract and retain talent. Many workers in the hospitality sector have sought employment in more stable industries, exacerbating the existing labour shortage. Employers are now grappling with the challenge of finding skilled workers to fill vacant positions as they navigate the uncharted territory of post-pandemic recovery. In order to rebuild and thrive in the wake of Brexit and Covid-19, businesses in the hospitality sector will need to adapt their recruitment strategies, prioritise employee well-being, and demonstrate a commitment to creating safe and welcoming work environments.

This abrupt exodus has left a significant void in the UK's hospitality talent pool. As a result, hotels, restaurants, and other businesses in the hospitality sector are facing challenges in finding qualified and experienced staff to meet the demands of their customers. The shortage of workers has led to increased pressure on existing employees, who are now expected to take on additional responsibilities and work longer hours to compensate for the lack of manpower. This has resulted in higher levels of stress and burnout among employees, leading to decreased morale and job satisfaction. Additionally, the lack of skilled workers has also affected the quality of service provided, as businesses struggle to maintain the same level of excellence that they were known for before the Brexit-induced labour shortage. In order to address this issue, industry leaders are calling for the government to implement policies that will make it easier for foreign workers to enter and work in the UK, as well as invest in training programmes to upskill the domestic workforce.

This dual approach is seen as necessary to not only alleviate the immediate labour shortage but also to ensure a strong and skilled workforce for the future. Without swift action, the continued impact of Brexit and Covid-19 on the labour market could have long-lasting negative effects on businesses across various industries. It is imperative that the government heed these calls for intervention and take steps to alleviate the strain on businesses and workers alike. Without a clear plan in place, businesses will continue to struggle, and the economy will suffer as a result. In the absence of a steady supply of skilled workers, industries such as healthcare, hospitality, and construction will continue to face challenges in meeting the demands of their customers and clients. By facilitating the influx of skilled workers from abroad and investing in the development of the domestic workforce, the UK can mitigate the damaging effects of the ongoing labour shortage and ensure the continued success of its industries while remaining competitive on the global stage and securing its position as a leader in various industries.

As if the Brexit and Covid-19 crises weren't enough, the UK hospitality sector has been compounded by increasing costs and supply chain disruptions. Soaring inflation, increased import tariffs, and supply chain bottlenecks have driven up operating expenses for businesses, squeezing profit margins and limiting their ability to invest in recruitment and retention efforts. Additionally, the introduction of the National Living Wage and rising rental prices have added to the financial strain, exacerbating the talent crunch. For small and medium-sized enterprises (SMEs) in the UK hospitality industry, in particular, the burden of navigating these cost escalations has been daunting. Many businesses have been forced to operate on razor-thin profit margins, making it increasingly difficult to attract and retain talent amidst fierce

competition from larger, more financially robust organizations. As businesses struggle to find and retain talent, HR leaders are facing unprecedented challenges in navigating these uncertainties and keeping their operations running smoothly. With the world in the rather chaotic state it is now, it would be foolish not to consider what future events could unfold.

In the face of these multifaceted challenges, HR leaders in the hospitality industry are tasked with the formidable challenge of filling talent gaps while simultaneously navigating regulatory changes, operational constraints, and financial pressures. Traditional recruitment strategies may no longer suffice in this rapidly evolving landscape, necessitating innovative approaches to talent acquisition and retention. From offering competitive wages and benefits to investing in training and development programmes, HR leaders must adopt a holistic approach to talent management to address the complex challenges facing the industry.

This may involve partnering with educational institutions to develop pipelines of skilled workers, rethinking traditional job descriptions, implementing flexible work arrangements, technology solutions to streamline processes, and fostering a culture of continuous learning and growth. Collaborating with schools and universities to develop hospitality programmes and internships can also be instrumental in cultivating a strong pipeline of talent. In addition to advancement opportunities, leaders must also prioritise diversity and inclusion initiatives to attract a wider pool of qualified candidates. In a time when the hospitality industry is facing unprecedented challenges, it is essential for HR leaders to be proactive in their talent management strategies to ensure long-term success. By taking a proactive and strategic approach to talent management, organisations can not only attract top talent but also retain it in the long term. Ultimately, investing in talent management strategies will not only strengthen the workforce but also position companies for sustainable growth and success in the competitive hospitality sector. In an industry where customer satisfaction is paramount, having a strong and talented workforce is crucial for success and sustainability.

The future of the hospitality industry remains uncertain, with many businesses struggling to stay afloat amidst ongoing challenges. The road to recovery remains long and uncertain, requiring resilience, innovation, and a willingness to embrace change in order to survive and thrive in the new normal. It is clear that the hospitality industry will need to undergo significant transformations in order to adapt to the changing landscape. This may involve reimagining business models, implementing new technologies, and prioritising safety and hygiene measures. By leveraging technology, data analytics, and strategic workforce planning, HR leaders can identify emerging trends, anticipate future challenges, and proactively address talent needs.

Collaboration and support from the government, consumers, industry stakeholders, and UK government agencies will also be crucial in ensuring the industry's survival. Only by addressing these challenges head-on can the industry hope to bounce back and regain its former strength. While some businesses may not survive the current challenges, those that are able to adapt and evolve will likely emerge stronger in the long run. Innovation in areas such as technology, sustainability, and customer experience will be crucial in shaping the future of the industry. By embracing flexibility, adaptability, staying nimble and open to new ideas, and creativity, hospitality businesses can weather the storm, emerge stronger on the other side, and position themselves for success in the post-Brexit and pandemic world.

Despite the daunting obstacles confronting the UK hospitality workforce market, there is room for optimism; with time and adaptation, the sector will eventually recover and thrive once again.

The road ahead may be fraught with uncertainties, but it is also brimming with opportunities for those willing to embrace change and chart a new course for the UK hospitality industry. By working together and staying resilient in the face of adversity, they can overcome the challenges of Brexit, COVID-19, and beyond, ensuring a vibrant and thriving workforce for generations to come.

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