HVS

MARKET REPORT

# HVS Monday Musings: Multiskilled Workforce – A Necessity for the Indian Hotel Sector

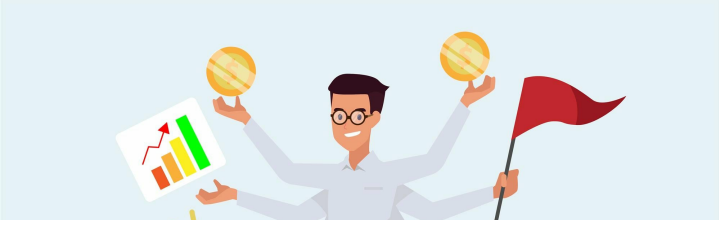
JUNE 12, 2022

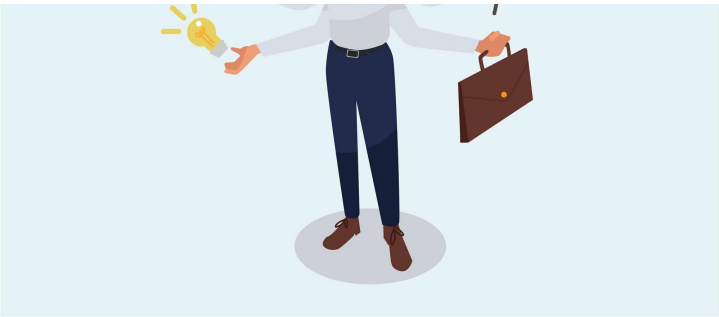
The often-overlooked opportunity to multi-skill hotel employees is a great way to address the staffing issues in the Indian hotel industry. Read on to know more.

As per a recent survey, strong growth in travel demand has resulted in a 352% year-on-year growth in hiring activity in the Indian travel and hospitality industry in May 2022. However, as additional supply enters the market, the industry's struggle with a skilled labor shortage is only expected to worsen. One reason for this is that several hospitality professionals who were displaced or lost their jobs in the last two years have found alternative employment in other allied industries, while others are hesitant to join the hospitality industry due to the current uncertain market conditions.

Meanwhile, hotel management teams are consciously reducing their staff-to-room ratios to control costs, improve profitability, and, overcome staff shortages to some extent. Reports indicate that staff-to-room ratios have reduced from 1.2-1.5 in the pre-pandemic era to 0.7-1 post-pandemic, which has also resulted in declining service quality and guest satisfaction in some cases. So, while the intention to optimize resources is evident, achieving actual results requires effort, making a compelling case for the often-overlooked opportunity to multi-skill hotel employees.

Employees who are multi-skilled or cross-trained in multiple departments can help manage staffing levels at different times of the day. Employees at the front desk or housekeeping, for instance, can be trained for restaurant service, while wait staff can be trained to perform kitchen duties. Multi-skilling and cross-training are advantageous to both employers and employees. Employers can reduce labor costs as a result of a leaner organization, improve efficiency, and increase operational flexibility. Meanwhile, employees acquire new skills and gain a thorough understanding of hotel operations, which improves their career prospects and employability. This also prepares employees for higher-level positions within the company, which aids in succession planning while increasing employee loyalty and motivation.





This is a great way to address the staffing issues in the industry, but implementation is easier said than done. To begin with, some traditional hotel jobs and roles must be re-evaluated and redesigned, and tasks that can be included in multi-skilling must be identified. The next step is to implement appropriate training programs and identify the employees who will participate in these training. While most companies have their internal learning and development programs, some are now collaborating with educational institutes to upskill, reskill and cross-train employees. Hilton recently announced a partnership with Guild Education that will allow its employees in the US to pursue a wide range of learning opportunities including language skills, digital skills, and even high-school completion, at no cost. In India, The Leela recently launched a leadership development program in collaboration with the Indian School of Hospitality.

Employers may encounter employee resistance at first because not all jobs are given equal status. This is a hurdle that the industry must begin to overcome for multi-skilling to gain more acceptance over time. Incentivizing multi-skilling by passing on a portion of the savings to employees who choose the multi-skilling program as improved compensation can provide the motivation needed to overcome this mindset. The hospitality industry can also learn and incorporate the best practices from the other industries that have successfully implemented cross-training and multiskilling. Last but not the least, hotel companies must recognize the importance of cultivating a culture of continuous learning at the workplace for future growth and invest in learning & development activities for their employees.