MARKET REPORT

What Will Attract the Next Generation of Talent?

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Hospitality faces a growing talent challenge driven not only by staffing shortages, but by how the industry is perceived. To attract and retain the next generation, companies must offer clear career paths, meaningful mentorship, purpose, flexibility and modern technology. By investing in early-career talent today, hospitality leaders can build the strong leadership pipeline the industry will need tomorrow.



Source: Unsplash.com

The Numbers Don't Lie – But They Also Aren't the Whole Story

Hospitality has a talent crisis hiding in plain sight - and the numbers are hard to ignore. As of early 2025, 65% of hotels report staffing shortages, with 71% unable to fill open roles despite active recruiting efforts. The industry's quit rate remains the highest of any sector, at 4% per month. And looking further out, the World Travel & Tourism Council projects a shortfall of 8.6 million hospitality workers by 2035 - roughly 18% below required staffing levels.

The instinctive response from operators has been to raise wages. And wages matter. But they haven't moved the needle on long-term attraction or retention - because money alone doesn't fix a perception problem.

The more revealing problem isn't staffing levels - it's perception. Research consistently shows that young professionals rank hospitality near the bottom of industries they'd pursue as a career, citing concerns about hours, pay, and lack of advancement. The WTTC's 2025 Workforce Report found that many workers under 30 actively avoid customer-facing hospitality roles, viewing them as unreliable long-term options. This is not a pipeline problem in the traditional sense. The candidates exist. The interest, in the right conditions, can exist too. What's missing is the bridge between what the industry actually offers and how it communicates - or fails to communicate - that offer.

The talent gap is real. But the perception gap is what's making it worse. And perception, unlike a labor market, is something companies can actually change.

Who Is the Next Generation of Talent, Really?

Gen Z is already here. Pre-Pandemic data from the Bureau of Labor Statistics put Gen Z at 34% of the U.S. hospitality workforce - and their share has only grown since. As of 2025, the BLS reports that leisure and hospitality employs more young workers ages 16 to 24 than any other industry in the country, accounting for 25% of all employed youth. Globally, Gen Z now comprises approximately 30% of the workforce, according to estimates from McKinsey and the World Economic Forum. This generation is not disengaged from work. They are disengaged from how hospitality has historically sold itself as a career.

The research tells a consistent story. Gen Z candidates prioritize meaning, flexibility, and growth. A LinkedIn survey of more than 7,000 professionals found that 87% of Gen Z workers would leave their current employer for a company whose values more closely aligned with their own - a figure that underscores just how non-negotiable this has become. They expect transparent pay structures and clear criteria for advancement. They want managers who genuinely listen and respond, not hierarchies built on deference.

Critically, they do not think in terms of a career ladder. They think in chapters. The hospitality industry's long-standing message - start at the bottom, pay your dues, work your way up - doesn't resonate with a generation that watches peers launch businesses at 22 and pivot industries at 25. The industry needs to stop framing entry-level as a rite of passage and start framing it as the beginning of something genuinely compelling.

What Actually Works: Five Things That Attract Next-Gen Talent

This is not theoretical. Across the searches we conduct at HVS Executive Search, we see the same patterns - the companies attracting and keeping strong early-career talent are doing specific things differently. Here are five that consistently stand out.

1. Clear, fast career pathways. The mechanism is straightforward: make the path visible before candidates take the first step. Gen Z will not join an organization where advancement is vague, subjective, or reserved for those who simply wait

long enough. They want to know where the role can go, how fast, and what it takes to get there. Omni Hotels & Resorts overhauled their traditional year-long management training program, making it self-paced – many participants now complete it in six months. *"They want to see movement more quickly and not have to wait an arbitrary amount of time to be promoted just because that's 'how things are done,'"* says Joy Rothschild, Chief People Officer at Omni Hotels & Resorts. Programs that offer cross-department rotations, defined promotion timelines, and milestone-based development plans are consistently outperforming those that rely on tenure alone.

2. Mentorship that's real, not ornamental. Pairing early-career employees with senior leaders who have genuine bandwidth - not just a title on an org chart - is a differentiator. Gen Z is watching how organizations actually invest in people versus how they talk about it. A mentorship program that exists in an employee handbook but doesn't show up in calendars and conversations will be spotted immediately. Omni's Ascend program offers a concrete model: every general manager in the company is required to take on a mentee for a structured, eight-month program, with monthly meetings and defined exercises. In its first year, 83% of participants reported meaningful outcomes. Last year, that number reached 92% - and participation has grown from roughly 60 mentees to over 100. The program has also surfaced something harder to quantify: it revealed employees who were misaligned with their current departments and identified high-potential leaders who might otherwise have been overlooked. *"Mentorship needs to be real and have an actual, structured program behind it," says Rothschild, "not just something talked about or a loose framework."* The organizations getting this right are building intentional time into senior leaders' schedules, creating accountability around mentorship outcomes, and treating it as a retention strategy, not an HR checkbox.

3. Purpose and values alignment. This is not a soft metric. Deloitte's annual Gen Z and Millennial Survey - which draws on nearly 23,000 respondents across 44 countries - found that roughly 40% of Gen Z and Millennial workers have either already changed jobs or plan to do so because of concerns about their employer's environmental and social practices. ESG commitments, community integration, and authentic brand values are now recruiting tools - but only when they're real, visible, and tied to how the hotel actually operates, not just featured in the careers section of a website. Omni launched a program in 2017 that donates a family dinner for every room booked; to date, the initiative has generated over 20 million meals, and hotel employees regularly volunteer at food banks as part of it. Rothschild notes that Gen Z employees are particularly proud of this program - it gives them a reason to show up that goes beyond the job itself. Separately, Omni's Omni Care Intern program, born during the pandemic when resorts stayed open, offers college students a paid summer role complete with housing, meals, travel perks, and a guaranteed place in the company's Leadership & Development program upon graduation. What started with 100 participants in 2022 has grown to 875 - and continues to expand each summer. *"They want community,"* says Rothschild. *"They want people their own age who are fun. They want to do community service and social things."* The program delivers all of it.

4. Flexibility, redefined. Flexibility in hospitality can't mean the same thing it means in a remote-first tech company. But it can mean flexibility in how careers are built - across disciplines, across properties, across functions. The ability to move from food and beverage into operations, or from revenue management into asset management, is genuinely rare across industries. That's a story worth telling. The companies that frame lateral movement as career architecture rather than lack of direction are attracting candidates who want to build something, not just hold a position.

5. Technology-forward environments. Gen Z grew up digital. They expect tools and training that reflect how they work. Organizations still operating on legacy systems and paper-based processes are sending a clear signal: we are not built for

you. This doesn't require a technology overhaul on day one, but it does require a credible roadmap and a willingness to invest. Candidates are asking these questions in interviews now. The answers matter.

What the Industry Still Gets Wrong

I'll be direct here, because I think the industry deserves a clear-eyed look at the habits that are actively pushing talent away.

The overemphasis on sacrifice as a badge of honor. Hospitality has a long tradition of celebrating the grind - the double shifts, the holidays worked, the years paid in. That story resonates with some candidates. It actively repels Gen Z, who see work as one part of a full life, not its defining feature. Leading with how hard the job is does not attract this cohort. It confirms their concerns. The industry has made some progress here: Rothschild notes that Omni and other major brands have worked deliberately to shift expectations around hours, moving away from the 50-hour week that was long considered standard. The current benchmark is up to, but no more than, 45 hours - a meaningful change, and one worth communicating to candidates directly.

Opacity around compensation and promotion. Gen Z does not accept *"we'll discuss salary in a later round"* as a reasonable answer. They have grown up in an era of Glassdoor and Indeed. They have already investigated the compensation package before entertaining the interview. Companies that resist transparency on pay and promotion criteria are losing candidates before the first conversation ends. *"Tech firms have transparent, defined pay - you know going in,"* says Rothschild. *"The hotel industry has not been good about that."* Omni has worked to define market rates more clearly and has had to adjust management salaries in some markets to avoid the embarrassing reality of entry-level college graduates out-earning their supervisors. Wages have lagged, and catching up requires more than goodwill - it requires publishing the numbers.

Treating early-career roles as disposable. High turnover in entry-level roles is often accepted as inevitable - a cost of doing business rather than a symptom of under-investment. When organizations treat early-career employees as interchangeable labor, those employees leave and they tell their networks. The referral channel, one of the strongest recruiting assets in hospitality, closes.

The education-industry gap. Hospitality programs are producing graduates who frequently lack the industry-ready skills employers need. Meanwhile, companies are failing to invest in bridging that gap through structured onboarding, apprenticeships, or partnerships with schools. The AHLA Foundation's Empowering Youth Program and similar apprenticeship initiatives point toward what's possible - but industry-wide, the uptake remains insufficient.

The Search Perspective: What We See at the Leadership Level

In executive search, we are often called in at the moment a company realizes it has a problem. A VP slot that can't be filled internally. A Chief People Officer search triggered by a retention crisis. A brand leadership gap that has no internal candidate ready to step up.

What I can tell you, consistently, is this: the companies struggling to hire at the senior level are often the same ones that did not invest in early-career development five or ten years ago. The pipeline didn't break at the VP level. It broke at the front desk, at the first manager role, at the point where someone decided to leave hospitality for an industry that seemed more interested in keeping them.

We are also seeing a shift in what top candidates - at every level - ask about during a search process. Compensation remains important. But increasingly, the questions are about culture, development philosophy, and the quality of leadership they'll be working with. Senior candidates ask whether the company promotes from within. They ask how the organization handled the pandemic-era staffing crisis. They ask what the investment in learning and development looks like in practice. These are early-career talent questions showing up at the executive level - because the people asking them once were early-career employees, and they remember.

Search is a late-stage fix for an early-stage problem. The organizations that understand this - and invest accordingly - are the ones we find ourselves working with repeatedly, not because they're hiring out of crisis, but because they're building for growth.

The Industry's Moment to Reintroduce Itself

Here is what frustrates me about the talent conversation in hospitality: the raw material is extraordinary.
Global mobility. Human connection at scale. Career velocity that is genuinely unusual - where a 26-year-old can manage a team of 50 and a $20 million revenue line. An industry that, by its nature, exists to create meaningful experiences for people at significant moments in their lives. These are not small things. These are exactly the things Gen Z says it wants from work.

The question is not whether hospitality can compete for talent. It is whether the industry can communicate its genuine offer clearly and credibly - and then actually deliver on it.

That means honest conversations about compensation and growth. It means treating first jobs in hospitality as the beginning of something, not the hazing before it. It means building cultures where feedback moves in both directions, where technology investment signals respect for employees' time, and where flexibility isn't just a talking point. It also means paying attention to something less quantifiable but no less real: the culture candidates experience the moment they walk in the door. *"To recruit hospitality workers, they must feel the vibe that the space emanates and believe that the culture is one they can relate to before they'll jump in and apply,"* says Jen Dodd, CEO of Main Squeeze. She points to servant leadership - leaders who empower their teams, let others take credit, and make people feel their contributions matter - as a powerful draw for high-potential candidates who have choices. The best talent, Dodd argues, actively seeks out quality environments. The industry's job is to be one.

Operators, owners, and brand leaders who get ahead of this now will not just fill jobs. They will build the leadership talent of the next decade - the GMs, the Chief People Officers, the CEOs that the industry will need when today's early-career employees are ready to lead.

Those who don't will spend the next decade paying search firms to fix a problem they could have started solving today



Source: Alice Sherman

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