

Comprehensive sectoral analysis of emerging competencies and economic activities in the European Union

Lot 12: Hotels and restaurants

Policy makers' summary - EN



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The European Hotels and restaurants sector: a challenging future

The Hotels and restaurants sector is a highly labour intensive service sector employing nearly nine million persons across the EU. A large part of the sector is closely linked to the dynamics of the tourism economy; in terms of turnover, the Hotels and restaurant sector accounts for more than 70% of the EU tourist sector. Europe, and in particular the EU, is the world's primary tourist destination and tourism has, for almost a decade, been one of the most important job creators in Europe. However, when looking at global growth rates, Europe is increasingly lagging behind compared to destinations in emerging economies in for example Asia and Africa. Also, the sectors growth rates in added value are low compared to most other service sectors.

Due to its labour intensive nature and low knowledge intensity, the Hotels and restaurants sector has traditionally changed less rapidly than many other European industry sectors. Today however, the Hotels and restaurants sector faces a number of important employment and labour related challenges such as an ageing European workforce, high staff turnover, skills shortages, lack of training and a growing demand for flexibility and multiskilling. Also, global megatrends such as the increased awareness of healthy lifestyle, individualisation in customer demands, environmental concerns, digitalisation of information and communication, and the increased importance of outsourcing, franchising, and private equity are profoundly challenging and changing the Hotels and restaurants sector.

The sector is in general characterised by a low skill and educational level when compared to many other European service sectors. The need for skilled labour has, though, been rising steadily within the sector in the last 10 to 15 years. Still, for the sector to be able to deal successfully with the challenges of increased international competition and the many new emerging consumer preferences, more focus has to be put on raising the sector's level of skills and competencies – both further and faster. The European Hotels and restaurant sector must look much more into the possibilities of competing in quality and within new emerging up-scale niche markets, for example those related to the increased awareness of health, environment, and sustainability.

A general recommendation is therefore to enhance up-skilling and innovation in the sector. Up-skilling should not only include traditional hospitality skills but focus on combining these with new skills and knowledge within for example ICT, health, environment and climate. Within hospitality education, much more focus will also have to be put on the teaching and training of social and intercultural skills as both markets and workplaces become more international and socially demanding.

Raising the level of skills, competencies, and innovation in the sector especially seems to be a challenge for the many SMEs in the sector. Another recommendation is therefore to focus future initiatives on SMEs, which still make up the vast majority of the Hotel and restaurants sector. Improved possibilities and incentives for SMEs to access education and training programmes will be necessary. This could, for example, be done through cluster and network initiatives containing joint innovation, training, and educational activities.

Another central challenge is the poor image of the sector and the high staff turnover, which is closely connected to issue of poor working conditions and lack of career structures. In order to improve the image of the sector, to lower staff turnover, and to be able to attract more skilled workers to the sector, the working conditions and career structures in the sector must be improved.

Related to the problems of lack of career structures and poor working conditions is the fact that very few women have executive positions in the sector. In order to meet the future skills and labour needs, the sector will have to attract many more women to executive and high skilled positions. Initiatives could, for example, be within flexible working time, equal pay for equal work, mentoring schemes, improved access to maternity leave, and gender-focused recruitment.

Lastly, the dialogue between the social partners in the Hotel and restaurants sector in general needs to be strengthened not only to improve working conditions and career structures, but also to create the needed culture of life-long learning in the sector.