



COVID-19: The impact on skills in hospitality, retail, travel and aviation

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people^{1st}
international

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Written in June 2020 by Sabina Enback, Senior Researcher. Findings based on survey responses from 526 employers across the UK hospitality, retail, travel and aviation industries. For more information or to access supporting infographics visit www.people1st.co.uk/Covid-19-skills

To assess the impact of the current COVID-19 pandemic on the needs of the hospitality, retail, travel and aviation industries across the UK, People 1st International surveyed 526 employers across the sector.

Summary

With the majority of businesses experiencing a negative economic impact of COVID-19 it is crucial that these receive appropriate government support. The industry is advocating for **enhanced grants and loans** being made available and that self-employed people are taken into consideration. It is also crucial to bear in mind the wider infrastructure when looking at support measures as for instance, **internet connectivity** in rural areas have made it more difficult to work remotely during the pandemic.

Businesses also report a negative impact on **mental health** due to stress relating to COVID-19 and the **lack of social contact and support** associated with social distancing measures. This presents an opportunity for the industry to join forces to look at what social support can be offered remotely to businesses and staff.

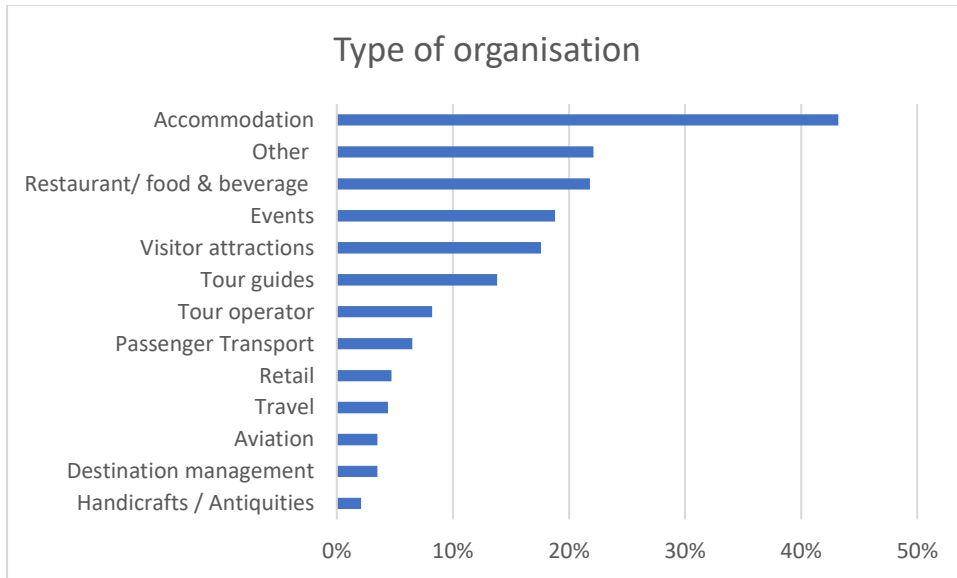
With less than half of businesses having a contingency plan in place it is evident that the pandemic has taken the industry by surprise and there is a need for creating a shared vision of industry requirements for being business ready post COVID-19. In addition, to help raise consumer confidence in returning to industry establishments, it is recommended that a **publicly recognisable symbol** is developed which identifies businesses with staff trained in critical hygiene control and social distancing measures.

Key roles across the industry were identified as those needed to reinvigorate businesses struggling due to the pandemic such as **Business Development** roles and **Marketing/PR** professions. For smaller organisations which might lack the budget to hire such roles, it will be important to acquire some of the skills and knowledge these roles hold, such as social media skills, awareness of booking platforms as well as prospecting and presenting skills.

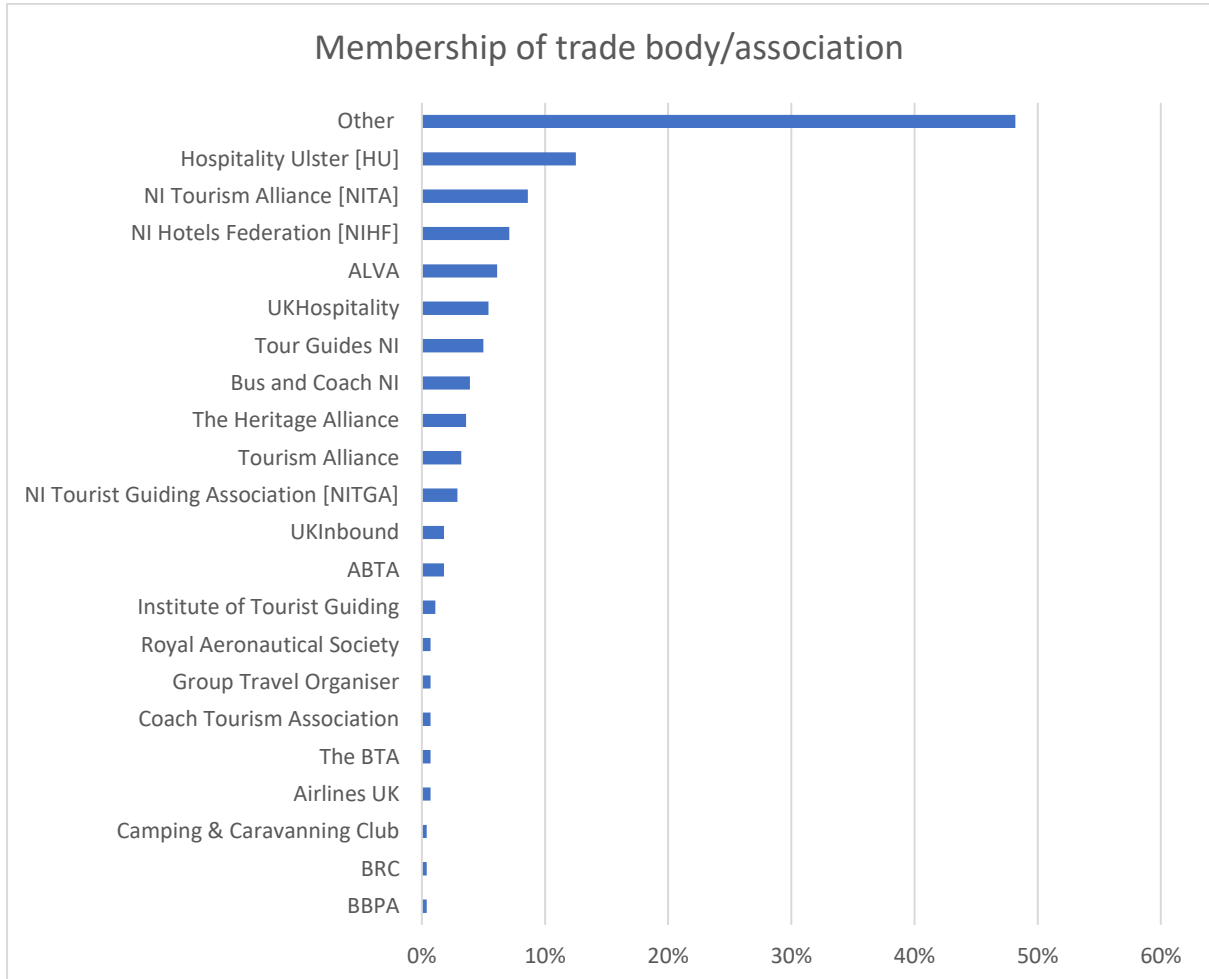
Critical skills in relation to the pandemic relate to **social distancing, health & safety** and **infection control** as well softer skills such as being aware of **changing needs, actively looking for ways to help** and **managing uncertainty**. This means that employees will need to receive training encompassing **protection measures** relating to the pandemic as well **enhanced customer service skills**. Staff will also need to be enabled to take initiative and make decisions.

Respondent profiles

The majority of respondents labelled their businesses as providing accommodation (43.2%) followed by the restaurant/F&B subsector (21.8%) and events (18.8%). Those labelling their business as “other” were mainly religious services/venues, training providers and trade bodies.



19.9% of respondents are members of Hospitality Ulster, 13.6% of NI Tourism Alliance and 11.4% of NI Hotels Federation. Membership of “other” trade bodies/associations include Wales Tourism Alliance, Association of Visitor Experiences, Visit Scotland and British Holiday and Home Park Association.



On average respondents employ 974.8 staff, however employee levels varied greatly with some respondents being self-employed to others representing large-scale global organisations with over 1m staff. Respondents report an **average of 713 employees** per organisation having been made redundant however this again varied greatly across the respondents with most not having made any redundancies, to some organisations having made great numbers of staff redundant.

At this stage, **furloughing staff** has been the temporary solution for many of the respondents. Those normally utilising freelance workers, seasonal workers and contractors report not being able to do so at the moment.

"One furloughed. All 50 freelance artists are without work."

Survey respondent

Impact of COVID-19

The vast majority of respondents (87.4%) report the pandemic having a negative impact on themselves in that some experience lack of income and work; others have seen a reduction in pay whilst having to work the same amount. Respondents also worry about **redundancies** and in certain areas, the **poor access to digital equipment** and internet connection which makes it difficult for some to work remotely, especially in rural areas. In addition, maintaining good **communication** has been difficult with staff on furlough and several respondents state that the pandemic has had a negative impact on their **mental health**.

"As a leader in our business the impacts are: we have had to furlough 95% of our workforce therefore there is increased workload on smaller number of people who are working from home; working hard in partnership with other agencies towards rebuilding the business of tourism; challenge of keeping employees motivated and engaged whilst trying to rebuild business and ensure mental health is looked after. Restrictions on IT and equipment in the home working environment is another challenge."

Survey respondent

"We own and live in a B&B. If we cannot bring in an income, we could lose our home."

Survey respondent

"My business is shut. I have no income because I am FHL. I am cancelling and refunding guests - many of whom are becoming aggressive and threatening to take me to court. I am battling insurance companies instead."

Survey respondent

Many respondents (74.5%) also report on the impact the pandemic has had on their staff, stating that **employees are feeling anxious and stressed**, with their mental and physical wellbeing affected. Staff have also experienced **loss of earnings** and are **lacking the social interaction** that comes with working on-site.

“Staff want to be working. Being out of work / furloughed is having a negative impact on their mental health and the financial wellbeing.”

Survey respondent

“All on furloughed 80% of wages. No interaction. No development - although some training through HU flow system. No on-the-ground experience for newer staff.”

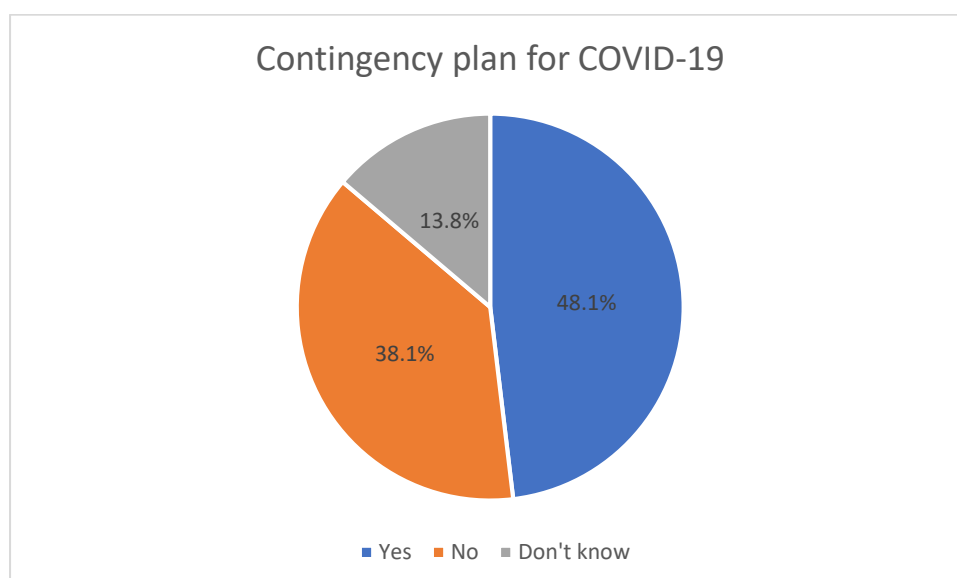
Survey respondent

“Vast majority (273 of 288) on furlough unable to do their jobs as the business has been forced to close down. This creates uncertainty and concern, both short term and long term for their futures and for the small team remaining, the pressure to make decisions and plans based on a lot of assumptions.”

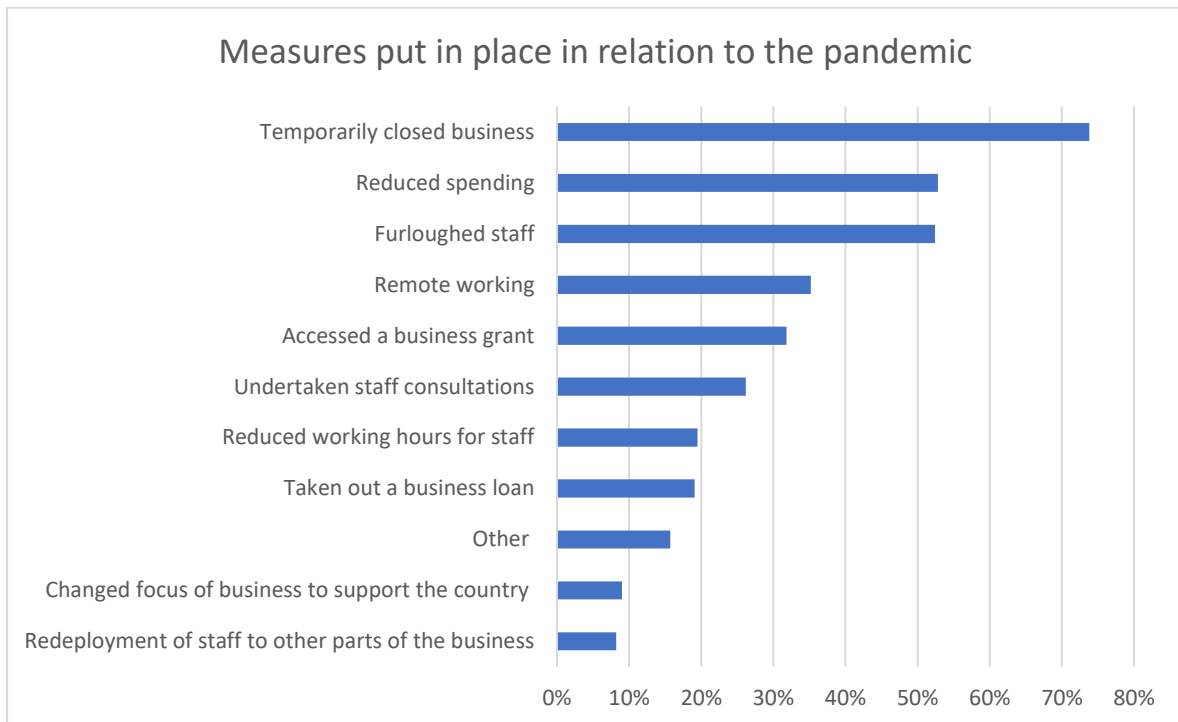
Survey respondent

Resilience measures

48.1% of organisations report having a **contingency plan in place** in relation to COVID-19 with 38.1% having no plan in place.



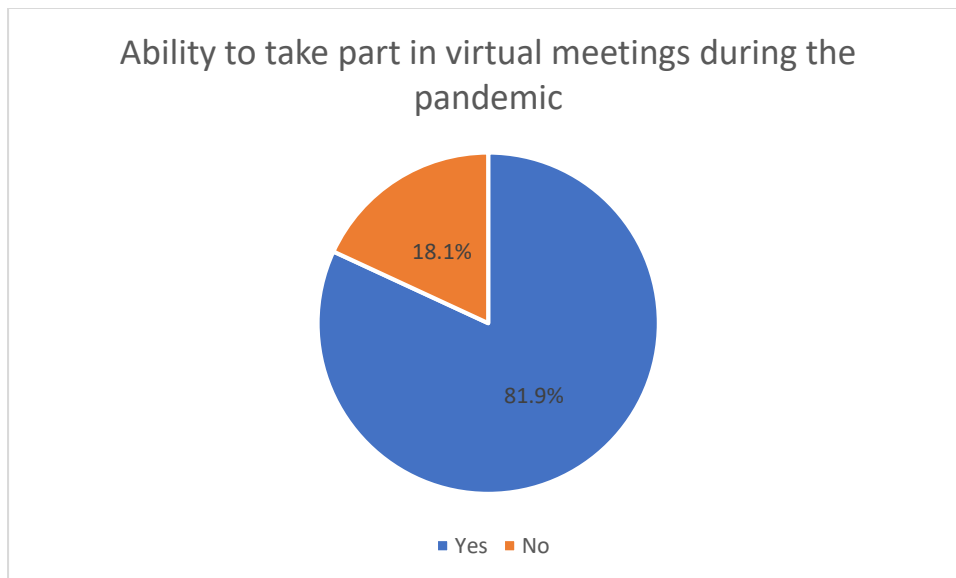
Results indicate a variety of measures having been implemented to cope with the current crises. Most have temporarily **closed their businesses** (73.8%) followed by **reduced spending** (52.8%) and **furloughing of staff** (52.4%). A few respondents are looking at altering the focus of their business such as developing a camp/caravan site for the staycation market, collaborating with other organisations or offering take-away services for food.



“Initiated online CPD programme to keep guides motivated and well-informed. Progressed high-level discussions between guiding organisations in England & NI about much closer collaboration.”

Survey respondent

48.1% of respondents state that they **can work remotely** with the vast majority being able to **take part in virtual/online meetings**.



The main obstacles in responding to the crisis is **lack of funding** and **access to financial support**, the **reduction in revenue** streams as well as **unclear government guidance** and lack of timelines in relation to social distancing measures. Many respondents report on being unable to plan for their future when they are left in the dark in regard to when their businesses are allowed to re-open.

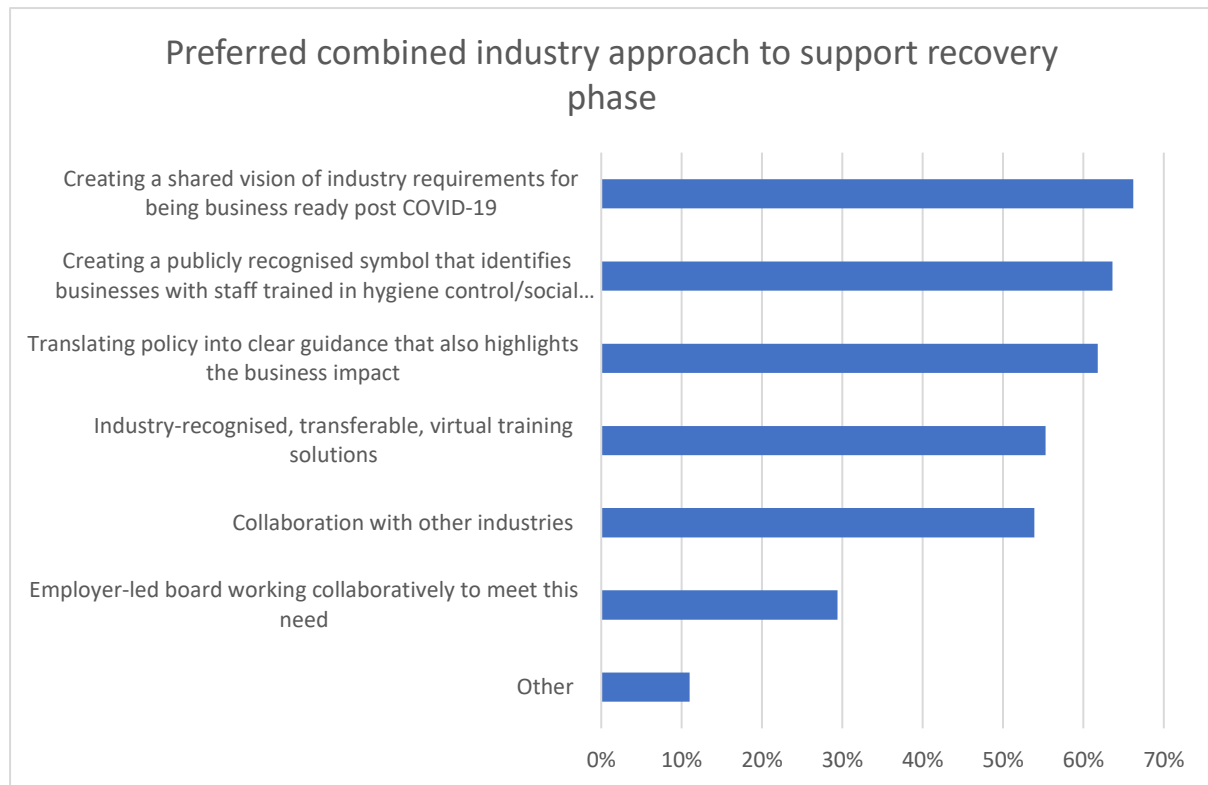
“Sites, museums and other attractions remain closed. Inbound and Domestic tourists are not able to tour or confident about planning for 2020 high season. Trade inc travel agents/shore excursion operators/etc not yet clear about new protocols that will need to be understood and applied to ensure safety and trust. Britain's handling of the Covid-19 crisis has not inspired confidence in some of our most important inbound markets. Brexit - lack of clarity still an underlying challenge for some EU visitors.”

Survey respondent

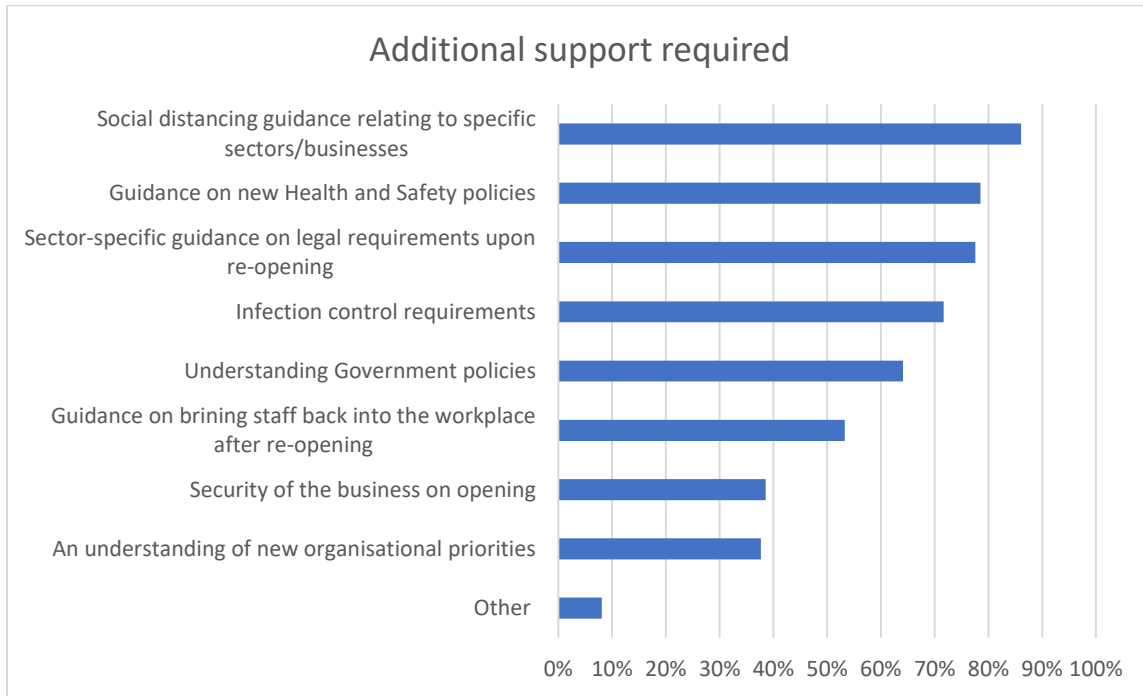
“Cruise ship travel on hold indefinitely. French & German tourists may have to quarantine before allowed to enter UK. How to socially distance while giving a coach tour or walking tour. Visitor attractions closed. How will visiting groups be able to access public toilets, hand sanitisation - this will take up a lot of time and there are often not enough facilities.”

Survey respondent

During the recovery stages, respondents would like to see the creation of a **shared vision of industry requirements** for being business ready as well as a publicly recognisable symbol that **identifies businesses with staff trained in critical hygiene control** and social distancing measures. This would help to raise consumer confidence in returning to industry establishments. Other support required is the translation of policy into **clear guidance** and industry recognised, transferable **virtual training solutions**. It was also felt that the sector needs to be **promoted as a rewarding, sustainable career choice**.



Additional support required by industry relates to **guidance on social distancing** for specific sectors/businesses, **health & safety policies** as well as **legal requirements** for each sector upon re-opening.



Impact on HR and Learning & Development

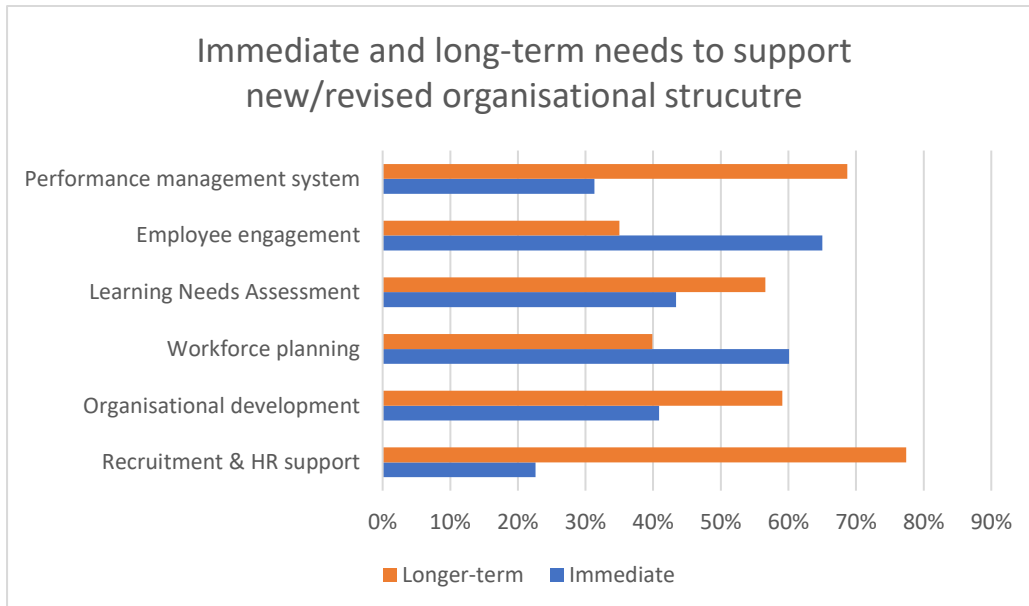
34.3% of respondents foresee **changes in organisational structures** as a result of the pandemic such as implementing **redundancies**, increasing **remote working** which mean the potential to hire international staff and streamlining with smaller teams with more flexibility to **multi-task across departments**. Some respondents do state that the uncertainty of the situation makes it rather difficult to plan for the future.

“Cross skilling & total flexibility of the team will be a much higher priority.”

Survey respondent

To support **immediate needs** in relation to new or revised organisational structures, respondents require assistance with employee engagement (65%) followed by workforce planning (60.1%) and Learning Needs Assessment (43.4%).

To aid with **longer-term needs**, respondents would like help with recruitment and HR support (77.4%) followed by performance management systems (68.7%) and organisational development (59.1%).



Perhaps surprisingly, the pandemic has only had a **marginal negative impact** on respondents' wider HR/L&D teams (17%) with respondents citing reduced training budget, increased workload, shrinking skill pool and general uncertainty contributing to the negative effect.

“Increased workload, having to deal with more mental health issues and employee queries regarding furlough, administration of the furlough process, updating and implementing new employee procedures relating to social distancing and health monitoring etc; dealing with redundancy and restructure.”

Survey respondent

“A future reduction of the time available to train and develop team members because of the greatly reduced team sizes running the hotels”

Survey respondent

The current situation has also had a negative effect on skills and talent. 29.5% of respondents state that **employee skills have deteriorated** or disappeared completely, with the latter being due to loss of staff.

“Unless we can keep our staff and key freelancers, many years of contacts, experience and skills will be lost across all aspects of the business - programming, marketing, communications, operations, volunteer management and administration.”

Survey respondent

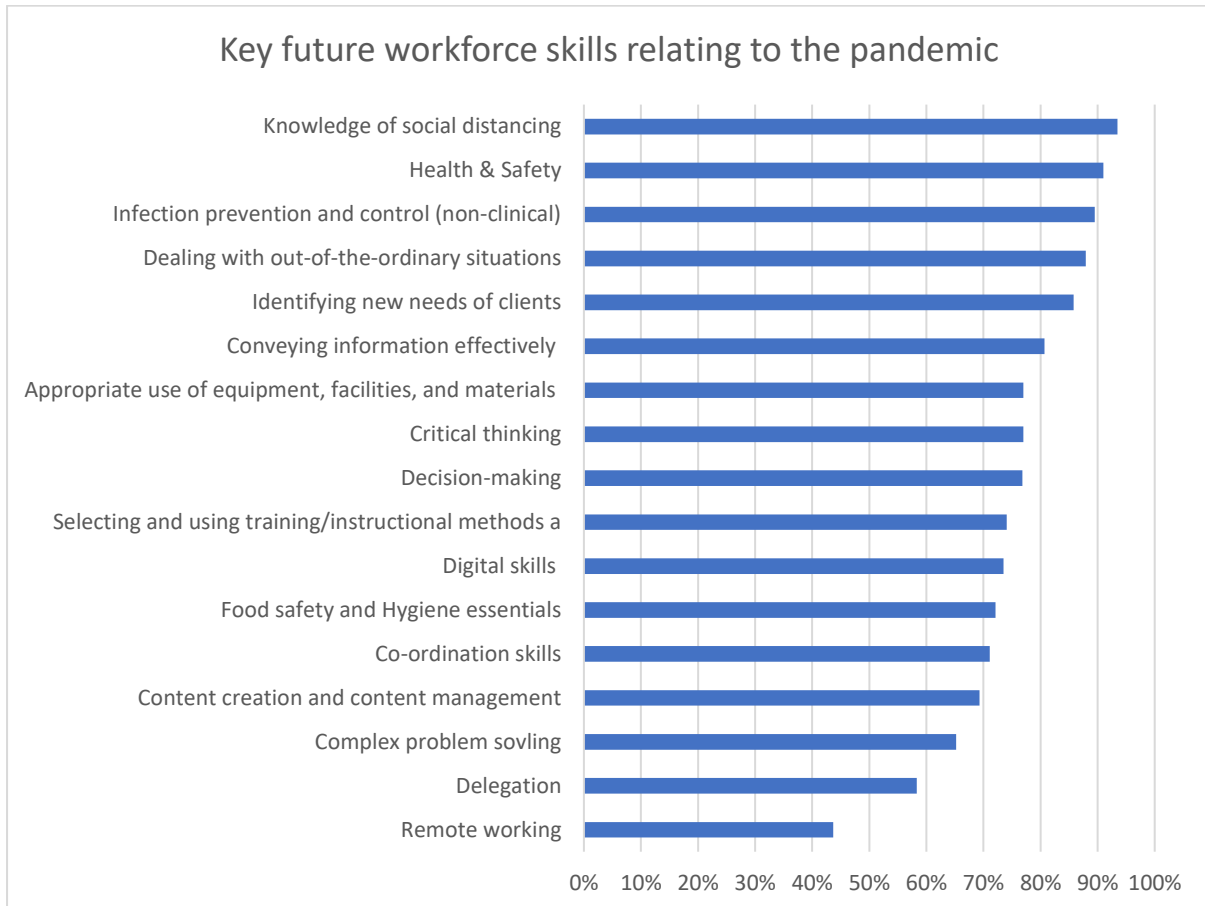
“It will impact the priority of emerging talent strategies e.g. apprentice recruitment.”

Survey respondent

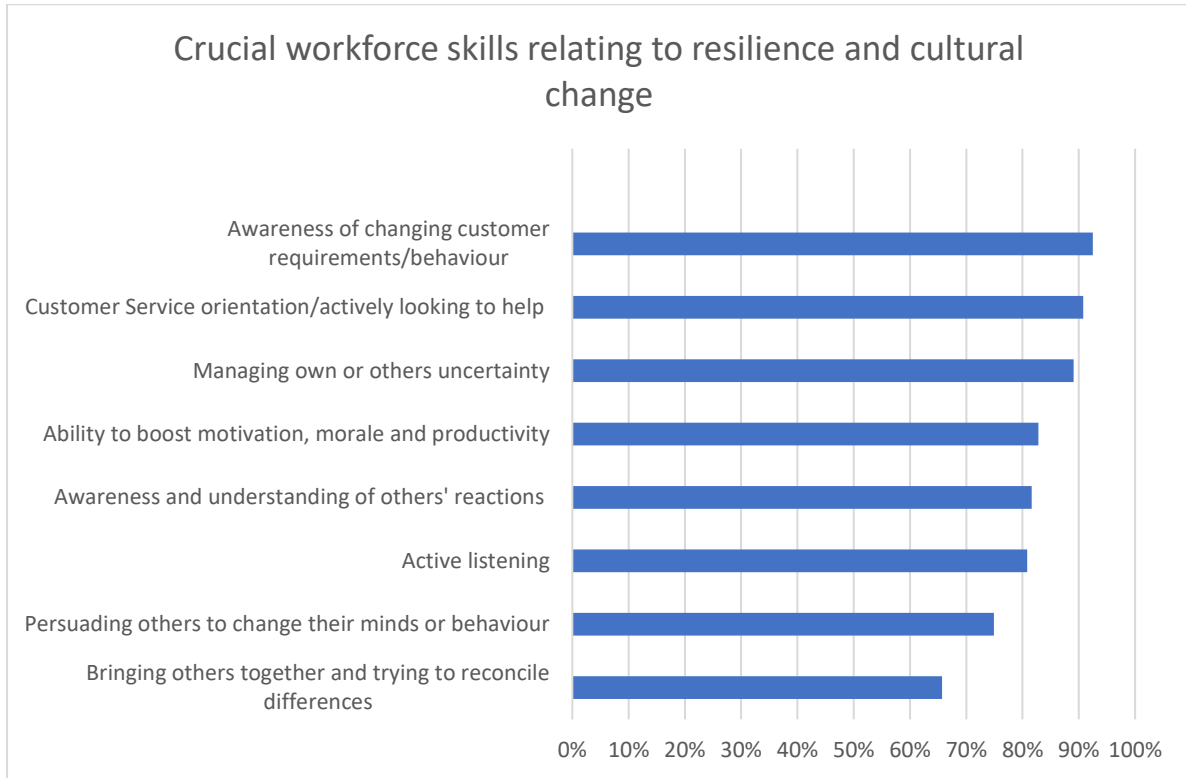
Key roles across the industry were generally identified as those needed to reinvigorate businesses struggling due to the pandemic such as **Business Development** roles and **Marketing/PR** professions. Many of the subsectors also reported chefs and general managers to be critical to their business. Back office functions such as administrators and finance officers were also deemed important roles.

| Accommodation | Restaurants/F&B | Tour Guides / Tour Operators | Handicraft / Antiquities | Passenger Transport |
|--|--|---|--|--|
| Chef Marketing/PR Officer IT/web building Cleaner Security officer | Chef Manager Marketing/PR Officer Kitchen staff Cleaner | Marketing/PR Officer Business Development Officer Tour Guide Administrator Finance Officer | Marketing/PR Officer Manager Boat Captain Ground staff | Driver Coach driver Marketing/PR Officer Maintenance Operator Cleaner |
| Visitor Attractions | Destination Management | Travel | Aviation | Events |
| Marketing/PR Officer Business Development Officer Cleaner Tour Guide HR Officer | Marketing/PR Officer Business Development Officer Cleaner Event Manager Administrator | Marketing/PR Officer Business Development Officer Driver Administrator | Marketing/PR Officer Reservations Officer Administrator Finance Officer | Marketing/PR Officer Business Development Officer HR Officer Chef Event Manager |

Due to the pandemic, staff will require new sets of skills, particularly in relation to **social distancing, health & safety** and **infection control** but also in terms of taking the initiative to deal with out of the ordinary situations, identify new needs of clients, as well as communicating effectively. This means that employees will need to receive training encompassing protection measures relating to the pandemic. Employers will also need to ensure that staff are trusted and equipped to **take initiative** and **make relevant decisions**.



The most critical skills relating to resilience and culture change are being aware of **changing customer behaviours** and needs, actively **looking for ways to help people** as well as **managing own or others uncertainty**. This means that staff need to be trained in enhanced customer service skills and being enabled to again, take initiative and make decisions.



Recommendations

Resilience of the hospitality, retail, travel and aviation industries in the aftermath of COVID-19 is key to the recovery of this important economic sector. Several short-term recommendations are emerging as critical factors to consider as employers plan to re-emerge and open their doors:

- **Follow the government guidance for safe operating practice and ensure staff are trained in social distancing measures, new workplace standards and infection prevention and hygiene control.** Staff need to be empowered to use their initiative and make decisions when faced with new situations and managing evolving needs of customers. To do this effectively, staff need to understand why certain things are different so they can best apply this knowledge with confidence.
- **Use the new [Professional Standard for Service Operators](#) to make sure training meets the industry-recognised standard.** The free-to-use guidance acts as a checklist and clearly outlines the skills, knowledge and behaviours required. Training to meet this standard is now available and [WorldHost 2020](#) is an example of how a 60-minute online course with assessment can give employers the assurance and evidence that their staff are equipped with the skills required to deliver exceptional service while operating in a safe environment.
- **Invest in technology.** It is important to work out how technology can be adapted to support the business. Websites, apps, bookings processes, protecting customer data, reporting and tracking physical customer contact if new cases of COVID-19 are reported, in order to alert other customers and colleagues are all important. In addition, there are many new digital solutions which can allocate space to customers to adhere to social distancing and ensure customers only spend a defined amount of time in the premises. Ordering, paying, queuing for toilet facilities and providing feedback on service can also be facilitated through remote-based solutions.
- **Consider alternative shift patterns.** Rotating Team A and Team B or more teams in order to be able to isolate employees who only work together on shifts if new cases arise means businesses can continue to keep operating.
- **Work closely with industry trade associations.** To achieve a shared vision for the industry, which is led by standards, employers must work closely with their industry association for effective two-way communication with central/local government.
- **Recognise the importance of digital, green and social skills.** Social skills will be even more important to the reputation of how well businesses meet changing customer needs. This, coupled with the adaptation of technology to support the business, means staff will need to hold related digital skills to help ensure a sustainable future for the business. Green skills and knowledge will be even more crucial in the future and our

work with [Next Tourism Generation alliance](#) partners shows that consumers are more aware and conscientious about where and why they chose to spend their time and money. With new business practice regarding disposable non-consumables, businesses need to communicate changes and why this is important to staff, customers and the environment. Empowering staff with this knowledge to reassure and emotionally connect with customers is crucial in demonstrating the force for good businesses are now embracing.

- **Raise consumer confidence.** When communities and destinations collaborate and work effectively at a local level to enforce national guidelines then public confidence will be restored. Giving customers assurance that front-facing teams are equipped to keep them safe will be critical beyond the pandemic. The [WorldHost 2020 badge](#) is an example of a symbol that investment in personal protection and social safety measures are in place – demonstrating great practice post COVID-19, addressing fears, expectations and building consumer confidence.
- **Don't underestimate the importance of communication.** The power of loyalty, emotional connection and appreciation from staff and customers about the impact and importance of the changes made to sustain a safe environment for everyone needs to be captured. There is a new sense of belonging and a cultural shift in how important this is to people who might have experienced anxiety from isolation and have been unable to work or socialise with friends or family. This needs to be factored into the workplace, to keep colleagues and customers up to date, informed and included.
- **Empower managers.** Managers need to be empowered to steer the business through disruption to normality and stay on course for survival. Their resilience will reduce the anxiety and stress the workforce are experiencing from loss of earnings, lack of social interaction and an uncertain future. Managers are now responsible for monitoring and managing risks associated with keeping a business safe from new cases of COVID-19 as businesses need an audit trail and proof of compliance to new operating standards. Monitoring performance will be more critical now than ever. Ensuring managers are equipped with critical thinking, decision-making and problem-solving skills will be important in meeting changing customer needs and managing uncertainty.
- **Value the greatest asset.** Regardless of business size, people are the greatest asset. Those who have chosen to work in hospitality, retail, travel and aviation at every level are the key to the economic recovery of this sector. People make the difference and employers who have treated and trained their people well during this time will recover quicker and stronger, with a brighter future. Key to this is to share best practice.

About People 1st International

People 1st International is an industry-led skills expert.

We support businesses in the UK and internationally to build, develop and retain skilled workforces.

We're a trusted partner to employers, industry bodies, skills organisations, donor funders, NGOs investment banks and governments, with over 50 years' experience in skills development and technical vocational education and training.

Our practical, employer-led solutions are created in response to industry needs, using our unparalleled insight into the current and future skills priorities. We're passionate about transforming skills and our experts work collaboratively with industry, governments and stakeholders to provide tailored support and facilitate responsive solutions to workforce challenges.

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People 1st International is part of the [Workforce Development Trust](#) - a not-for-profit organisation helping both public and private organisations cultivate their ultimate workforce.



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