



# Manpower Update Report

## Hotel Industry

---

# 2018

---

Hotel Industry

# ACKNOWLEDGEMENT

The Hotel, Catering and Tourism Training Board (HOTB) would like to express gratitude to hotel industry experts who participated as focus group members and contributed precious time and valuable insights on the various manpower issues as well as aspects of the industry, their inputs are an integral part of this report.

## Contents

<b>Introduction</b>	<b>1</b>
Background Objectives	
<b>Methodology</b>	<b>3</b>
Overview Selection of Focus Group Participants Data Analysis Limitations	
<b>Key Findings</b>	<b>4</b>
<b>Recommendations</b>	<b>8</b>
<b>Appendix</b>	<b>14</b>
Number of Vacancy Advertisements of Popular Recruitment Sources (2 <sup>nd</sup> quarter 2017 to 1 <sup>st</sup> quarter 2018) (a) by Job Levels (b) by Branches (c) by Monthly Salary Ranges (d) by Qualification Requirements	

# Introduction

## Background

The HOTB of the Vocational Training Council (VTC) is appointed by the Hong Kong Special Administrative Region (HKSAR) Government to be responsible for, among other duties, determining the manpower situation and training needs of the hospitality industry which encompasses the hotel, catering and tourism sub sectors.

Following a rationalisation exercise in 2017, a new approach for conducting manpower survey is adopted to enhance the effectiveness and better reflect the

dynamics of the industry's manpower situation.

The new approach is to conduct full manpower survey for each industry once every four years, supplemented by periodic information updates through focus group and desk research.

The HOTB completed a full manpower survey on the hotel industry in 2015. Two manpower update reports will be prepared during the period between 2018 and 2021. The HOTB conducted a focus group meeting of the hotel industry on 5 March 2018 to collect views about the latest manpower situation and

training needs from industry practitioners. Desk research had also been performed to capture recruitment information including job vacancies of principal jobs, salary offered and qualification requirements in the industry for the period from April 2017 to March 2018.

This is the first manpower update report of the hotel industry which mainly covers the findings obtained from the aforementioned focus group meeting, supplemented by the information acquired from the desk research for reference purpose.

## Objectives

The objectives of this manpower update report of the hotel industry are to understand the following issues of the industry:

- (i) Latest trends and developments;
- (ii) Manpower demand and training needs;
- (iii) Recruitment difficulties; and
- (iv) Suggestions on easing manpower shortage.

---

# Methodology

## Overview

With reference to the 2015 full manpower survey, this update report further constructs the qualitative descriptions of the recent developments of the industry through a focus group interview supplemented quantitatively by a desk research, i.e. vacancy advertisements collected from April 2017 to March 2018.

The focus group meeting was intended to collect experts' perspectives on the hotel industry's manpower market with a view to reflect the latest trends of the industry's manpower and training needs. Focus group members were selected from the hotel industry with trusted knowledge of manpower situation and have a good knowledge of the industry. To enhance the efficiency in collecting views, the size of the focus group was limited to seven persons.

The information of the desk research, consisting of vacancy advertisements, monthly salary ranges offered by employers, and academic qualification required, was obtained on a quarterly basis from major recruitment channels commonly used by the general public. An integrated database was developed from various sources of data, such as the Hong Kong Government, professional bodies, and large and prominent advertising agencies. The information

collected was consolidated annually.

## Selection of Focus Group Participants

The target participants of the focus group represented the hotel industry.

## Data Analysis

The focus group meeting was designed to cover a range of issues such as the latest industry trends and developments, the manpower situation and training needs of principal jobs in the industry, and recruitment difficulties encountered. The meeting was recorded and transcribed to facilitate analysis.

For the desk research, over 3,600 recruitment records were collected during the research period. Mapping was made with the list of related companies under the Hong Kong Standard Industrial Classification for removal of any duplicated records. An overview of manpower demand, monthly salary offered and education requirements could therefore be acquired.

After the above qualitative and quantitative analysis, the findings and recommendations were augmented and endorsed by the HOTB.

## Limitations

Different from the extensive quantitative manpower survey performed in 2015, the update report aims to discover this emerging themes in the manpower development of the industry. The employment trends and behavior; recruitment difficulties; insights and observations from the stakeholders' experience were captured through this focus group and desk research. While the update report has adopted the

qualitative approach of focus group discussion which covered a controlled selection of stakeholders, it might not be generalised to the entire population. Desk research that gathered information of job vacancies from advertisements in major recruitment websites and the Labour Department, also might not be exhaustive for a complete quantitative analysis. The data collected were also snapshots of a particular point in time during the report period. They were only used as reference supplementary to the observations of the focus group.

---

# Key Findings

## Factors Affecting the Development of the Industry

---

### Latest Trends

---

#### Background

With a view to enhancing Hong Kong's appeal to business and leisure visitors, The HKSAR Government has set out a clear vision and mission to develop Hong Kong into a world-class premier destination. To maximise the economic benefits brought by tourism, Hong Kong's unique travel experiences would be promoted to attract more overnight visitors with higher spending power. In 2017, the Tourism Commission formulated a Tourism Development Blueprint for developing

tourism products and projects with local and international characteristics in the coming five years. To deepen tourism co-operation, further discussions would be made with the China National Tourism Administration and tourism trade to facilitate mutual co-operation with the 'Belt and Road' countries and 'Greater Bay Area' cities. Furthermore, connectivity within and among our border cities will be facilitated by large-scale infrastructure and development projects. With inbound tourism recovery gathering pace since end-2017, the hotel market holds a positive outlook amidst a challenging macro environment.

## Changing landscape

In view of high operating costs, lack of manpower, and the wide application of technologies, the built and design of the hotels, respective facilities and services, as well as the mode of operations have been changed accordingly. Travelling patterns and means of accommodation by leisure and business travellers have altered in the past decade. More so, smaller-sized and simple-structured boutique hotels located in different districts would be on the rise; front-line operations would be further streamlined; automated self-service and information technologies would be widely applicable in different service functions of local hotels. Quite different from traditional hotel guests and employees, the new generations prefer less frequent human interactions and minimal structural barriers. From making room reservations to checking out, younger generations prefer to handle all processes via their mobile devices or those provided by the hotels. However, to provide a balanced and quality choice for wide spectrum of visitors and local customers, a reasonable level of service and facilities such as dining outlets would need to be retained especially for four- to five-star hotels.

## Manpower

The issue of acute industry manpower shortage has been persisting for years. The most demanded manpower in the hotel sector remains at the operative level. With approximately an additional 12,000 hotel rooms in the pipeline till 2021, industry manpower shortage would be further aggravated. As the hotel sub-

sector forms an integral part of the tourism industry, a continuous demand of quality hotel manpower would be required to sustain the competitive edge of the local hotel industry amongst keen competition as more hotels and entertainment projects are materialising within the region.

With globalisation in place, coupled with upcoming business and tourism related collaborations and exchanges, opportunities for job relocation and training in the Mainland, nearby regions and overseas would appear to be abundant.

---

## Technology

---

### Increased application of smart technologies

With advanced technology, hotels are able to streamline their operations, enhance customer experience and improve overall cost effectiveness. Automation and advanced technologies have been applied to ease both the front- and back-of-the-house operations. Keyless entry, robotic housekeeper, staff-less lobbies, chatbots interfaces, voice assistants, automated staff uniform management systems are expected to become mainstream applications in the near future.

Smart city as well as smart tourism are strategic initiatives promoted by the Government. The hotel industry will ride on innovative technology to enhance their competitiveness. With a view to enhancing guest services and easing manpower shortages, hoteliers have taken

the lead in establishing a common e-platform for the application of smart technologies to the hotels in Hong Kong.

Despite the gradual application of technologies and automation of services, the essence is to create values for customer satisfaction whilst enhancing profits, as such the spirit of hospitality will always remain the underlying essence of a people's business.

### Big data

There is an increasing leverage on global customer data for business planning and development, analysis of potential synergy projects, and human resources management and training. In optimising the usage of big data in the hotel industry, industry members acknowledged that effective data mining and data analytics will be demanded for mapping data to actionable business insights.

---

### Public Policy

---

#### Increased provision of hotel rooms

With land zoned for building hotels, from 2017 to 2021 the number of hotel rooms would be increased by around 12,000 (from 78,000 to 90,000). A stringent demand of manpower, particularly at the operative level, is expected to continue.

Airbnb and private kitchens have increasingly gained popularity nowadays. Services including accommodation and/or on-site cooking in local commercial and

residential areas are provided by respective operators. However, non-compliance with relevant statutory requirements and industry regulations by the operators would pose inherent danger and threats to the safety, health and hygiene of the customers and the public at large. Industry members have strongly urged the Government to take heed of the possible consequences and take the necessary actions as appropriate.

### Labour-related policies

Regulation on minimum wage and overtime pay will increase operating costs and make hiring hotel employees more difficult. With regard to the proposed Standard Working Hours legislation, if implemented, would incur an additional 12% - 20% manpower cost for hospitality establishments; therefore, a flexible rather than an 'across-the-board' approach would be preferred.

## Future Manpower Demand

With the Government's keen efforts in drawing more high value-added overnight visitors, business and leisure arrivals are expected to increase. A continuous pool of quality hotel manpower will be on demand.



Gradual transformation to embrace tech-driven business systems is witnessing by the hotel industry. At the current transitional stage, it is pertinent for hotel staff to balance technology and human interaction for creating a unique interactive customer experience. To this end, innovators and think-tanks for harnessing technology with time-proven industry knowledge and skills are required. 21<sup>st</sup> Century capabilities such as vocational and design thinking, analytical reasoning and creative problem solving skills, etc. would be necessary for fulfilling the aforementioned purposes.

## Recruitment Difficulties

Recruitment difficulties were encountered due to the factors listed below:

### Lack of manpower supply

An overall decline of young population in joining the workforce and the aging population further aggregate the recruitment of hotel employees.

Importing overseas service staff appears to be a possible solution. However, other than the difficulty in obtaining working visas, importation of labour would entail numerous social, economic and political issues.

### Competition from other service industries

The other sub-sectors of the tourism industry as well as other service industries are strong competitors for the same manpower of the hotel industry. Some hotel-related degree programmes now integrate concentration on interrelated studies such as real estate, graduates can therefore join other industries besides the hospitality industry.

### Social changes, misconceptions and gaps of expectation

Due to social, economic and demographic changes, the new generations have higher education attainment and therefore more career choices nowadays. Many of them would choose to work in comfortable working environments rather than in hotels which are of a service nature. Furthermore, the images of bell attendants, waiters, bartenders and room attendants are regarded as junior positions which only demand low-skill manual labour. Parents would encourage their children to enrol in studies for future careers with professional images and higher remuneration packages.

Retaining the youngsters in the hotel industry is difficult as some may expect to be promoted within a short period of time, say three years to a senior executive

position which traditionally, ten years of industry experience would generally be required.

requirements are at Appendices (a), (b), (c), and (d).

### Desk research findings

The desk research shows some 3,600 vacancy advertisements (Full-time: around 90%; Part-time: around 10%) of the hotel industry were placed during the period from April 2017 to March 2018. In line with the findings of the 2015 full manpower survey, the majority of the vacancy advertisements was recorded for the operative level (Full-time: around 67%; Part-time: around 8%). The major posts demanded are noted as follows: (i) Waiter / Waitress and similar posts; (ii) Kitchen Helper / Cleaner and similar posts; and (iii) Room Attendant/ Room Services Butler / Floor Attendant. Details of the number of vacancy advertisements of popular recruitment media by job levels, branches, monthly salary and education

---

# RECOMMENDATIONS

## Training Needs

### Global awareness

In anticipation of a different mix of business and leisure arrivals, hotel employees should possess a global vision with cross-cultural intelligence. They should be equipped with professional and

updated knowledge on the cultural, ethnic, social, economic, and political backgrounds of target arrivals. Sensitivity in communications supported by strong language skills including English, Putonghua and languages of target markets are required. Professional expertise in local and international wining and dining; themed events and banquets co-

ordination and management; quality assurance controls; environmental and regulatory compliance, will be in demand for furthering the viability of the hotel industry.

### Digital literacy

In view of the changing scene in embracing technology, different forms of guest interactions and kinds of guest expectations have arisen.

Messages go viral nowadays. Albeit the modes of communications have changed from in-person to more digital-based, an optimal level of hospitality online is required for elevating interactive customer experience. With the sophisticated and experienced hotel patrons who are knowledgeable, technology savvy and always on public social media, prompt and bona fide response to their enquires, requests and comments would be deemed necessary for gaining a positive value perception. Training on strategic management and monitoring of customer service and social media platforms would render these communication tools as valuable business assets.

Digital competencies in analysing hotel business trends and customers' traits and behaviours riding on big data and technological developments would need to be incorporated in nowadays training programmes. Training and education institutes are advised to stay attuned to the developments of the aforementioned and steer their students to engage technology in enhancing customer experience and the hotel's business objectives. Professional industry expertise and solid experience form the basis for integrating technological elements with traditional hospitality values.

### Suggestions on easing the manpower shortage problem

The following suggestions were proposed for consideration:

#### Industry specific training

- (i) The professional and vocational education / training institutes are highly supported with regard to their consistent supply of work-ready graduates for the industry. The students

under various forms of trainee / internship programmes can serve as valuable support to the industry. The Government and hoteliers can provide the trainees with an allowance and guaranteed salary, so that the young people can earn a steady income under the structured vocational education and on-the-job training. Reasonable remuneration package, consistent and timely mentoring, guidance and assessment by industry partners should be extended to these prospective entrants to enhance their interest in staying with the industry. In this regard, quality on-the-job training, web-based workplace assessment practices and dedicated personnel from the Government, industry and training institutions would be required to empower the new hoteliers.

(ii) To prepare secondary

school students in choosing the hotel industry as a career, it is supported to maximise the exposure of Vocational and Professional Education and training (VPET) and the hospitality industry to the students as early as possible. In this connection, the secondary school teachers should be well informed of the industry and what it can offer to young people with different interests and abilities.

It is suggested to provide adequate VPET and hospitality related information to the graduating teachers from the Education University of Hong Kong which will contribute to their appropriate understanding of the local VPET system as well as the hospitality related programmes offered by the VTC in particular prior to their graduation. Industry attachment is suggested for

familiarising the aforementioned teachers as well as the secondary school teachers of Tourism and Hospitality Studies, Career and Life Planning with the authentic working environment. By doing so, it also assists in equipping them with expectations of hotel employees by industry practitioners.

- (iii) Apart from promoting STEM (Science, Technology, Engineering and Mathematics) in pursuit of advanced technologies, students should be nurtured from young ages with a positive mindset to appreciate the art of service culture and the virtues of the hospitality industry.

#### Value enhancement

- (i) Close collaborations among the Government, industry personnel and vocational training and education institutions should be encouraged to educate the public of the importance of the hotel industry in

contributing to the overall economy. New generations should be encouraged to join the industry which is supported by professional articulation pathways with abundant career advancement and entrepreneurial opportunities.

Participation in Career Days and Talks by exemplary industry personnel to introduce the work nature, career prospects, and interesting / significant happenings of the industry would appeal to youngsters.

- (ii) Other than promoting the importance of the tourism industry to the public, resources from the Government should also be provided for highlighting the professional image of the hotel industry. Furthermore, it would be timely for the industry employers to consider restructuring the employees' salary scale so as to align realistically with the high living standards of Hong Kong and to stay competitive with other industries. Furthermore,

the Government should take the leading role in establishing a system to link academic and professional qualifications with remuneration packages for specific job levels of the industry.

(iii) To facilitate industry practitioners in obtaining professional qualifications, the Government and the industry should jointly promote continuous development and life-long learning by encouraging industry practitioners to make use of various Government funding schemes and training programmes offered by accredited education / training institutions. In order to cater to different training needs of the hospitality industry, the mode of delivery has to be flexible, i.e. sandwiched, part-time day and evening, weekend day and evening. Introducing modularised programmes for learning and training, establishing new programmes based on competencies, as well as accumulation and transfer

of credits will increase the flexibility of the VPET system. These will also enhance the efficiency in responding to and meeting the demands of the labour market with the necessary skills. Furthermore, to enhance flexibility and to arouse learning interest, the use of industry related gamification for e-learning via mobile devices can be adopted.

(iv) Whilst improved working conditions and remuneration packages may attract and retain talents, industry experts are of the view that creating a happy, fulfilling and positive working culture would contribute to staff retention and even attract their peers to join the industry as well. Establishing a 'Co-Managing' working platform may appeal to new generations where their unique perspectives, inspiring thoughts and creative solutions would be listened to and pivotal contributions be treasured. Grooming new leaders with clear and practicable career

paths, including overseas training, relocation and fast-track promotion opportunities, are viable means in this regard. Management should also take the lead in establishing a caring and empathetic culture among different generations of employees.

### Importation of labour

Appropriate arrangements could be considered for importation of necessary hotel employees under a quota system. The Government could also consider means for providing affordable housing for the foreign workers.

### Investment in technology and automation

The Government should take the lead to encourage hotel owners to invest for automation and industry technology development. In this regard, the Government is urged to subsidise the transition to embrace the development of technological applications in the industry. Furthermore, approval process for modifying physical structures to accommodate hotel

technological and automation applications should be shortened and simplified.

### Re-engagement of quality personnel

The Government and the employers would need to flexibly reconsider the age for retirement. Re-engaging capable and fit retirees and mature citizens would ease manpower shortages and contribute to staff retention. Their valuable working and social experiences are readily transferrable to youngsters.