

# Hotels & Hospitality: 5 Top Challenges for Employers in 2022

The hotel and hospitality industry is dealing with high turnover as they prepare to welcome more travelers back.<sup>1</sup>

Learn about five major challenges in the hotel and hospitality industry and how on-demand pay may help businesses.



## Reluctant Labor Pool

Between 2020 and 2021, U.S. hotels suffered billions in lost revenue. Now, the industry is seeing a labor pool that is reluctant to return to their previous jobs.<sup>3</sup>



## Employee Retention

The hospitality industry suffers from a significantly higher turnover rate than the national average. High turnover may damage employee morale, decrease productivity, and diminish the employer brand. It also increases costs with the frequent need to hire and train new talent.<sup>6</sup>



## Changing Guest Expectations

Customer expectations have changed throughout recent years. Staffing levels will play a major role in how the hotel and hospitality industry addresses customer demands and bounces back from pandemic-related issues.<sup>8</sup>



## Supply Chain Issues

As a result of supply chain delays, venues have reported increased operational cost, with over half highlighting substantial increases, according to a survey by the UK's Meetings Industry Association.<sup>9</sup>



## Inflation

The hotels and hospitality industry has been impacted by rising inflation costs. Travelers will see increased costs and higher room rates as a result in inflation.<sup>11</sup>

## Address Challenges With On-Demand Pay

Improving benefits offerings is a great way to show employees how much they're valued and reward their hard work. An on-demand pay benefit may help in recruiting and reducing employee turnover.<sup>12</sup>

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<sup>1</sup> <https://www.bls.gov/news.release/pdf/jolts.pdf>

<sup>2</sup> <https://www.foxbusiness.com/lifestyle/hotel-industry-recovery-2022-bumpy-road>

<sup>3</sup> <https://www.businessinsider.com/labor-shortage-hospitality-workers-restaurant-hotels-pay-wages-joblist-survey-2021-7>

<sup>4</sup> <https://www.bls.gov/opub/ted/2021/quits-rate-6-6-percent-in-accommodation-and-food-services-in-september-2021.htm#:~:text=in%20September%202021%2C%20leisure%20and,quits%20rate%20of%205.7%20percent.>

<sup>5</sup> <https://builtin.com/recruiting/cost-of-turnover>

<sup>6</sup> <https://harver.com/blog/causes-of-employee-turnover-in-hospitality/>

<sup>7</sup> <https://tripleseat.com/blog/5-trends-to-shape-the-hotel-experience-in-2022/>

<sup>8</sup> <https://skift.com/2021/11/08/hotel-ceos-concede-labor-shortage-is-a-structural-problem-that-may-reshape-guest-experience/>

<sup>9</sup> <https://skift.com/2021/11/17/global-hotel-rates-could-be-4-times-inflation-in-2022-new-report/>

<sup>10</sup> <https://blog.trnginternational.com/effects-global-inflation-hospitality-industry>

<sup>11</sup> <https://thepointsguy.com/news/hotel-rates-drive-inflation/>

<sup>12</sup> <https://www.kronos.com/blogs/power-technology-platform/demand-pay-strategic-lever-employee-recruitment-and-retention>