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The Fast-Forward Tech Stack for 2024

The Hotel Yearbook Technology 2024

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3 Ways the Labor Shortage Will Push Innovation

Human Stack

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Synopsis

In this article, Cloudbeds' Co-Founder Richard Castle expresses concern over the current labor shortage plaguing the global hospitality industry and the potential impact this could have on the quality of guest experiences. The author argues that innovation is needed to address this issue, suggesting several areas where modernization could help offset labor shortages and maintain high-quality guest experiences. These include the acceleration of virtual front desks, the development of more self-guided staff training, and the fostering of increased role flexibility within the industry. The author also provides examples of how these innovative shifts are already making a positive impact, and predicts that these changes, if widely adopted, could significantly alter the hospitality landscape for the better, allowing the industry to overcome labor shortages while still delivering excellent service. The article concludes with a tribute to hospitality workers, and a call to technology developers to focus their attention on this vital industry.

I've had a lot of incredible travel experiences. But the ones I loved the most would never have happened if not for the meaningful connections I made with hospitality professionals who guided me during my stay. Whether that was the owner of a posada in Brazil or a ryokan in Japan, their passion and talents elevated my trip from average to extraordinary.

I'm not the first to worry that global hospitality staff shortages put remarkable guest experiences like mine at risk. In the US alone, the numbers are worrying. 82% of hotels don't have enough staff and 26% cited severe shortages according to the [AHLA](#). Leisure and Hospitality is still short 400k employees, [according](#) to the U.S. Bureau of Labor Statistics presented by the Cleveland Research Company. Our industry is indeed recovering, but that doesn't mask the fact that there's a permanent shift in where workers want to spend their time. When higher wages can be earned in other flexible, customer-service-based roles, that are less seasonal with shorter hours, many people are turning away from hospitality for good.

The hospitality labor shortage demands innovation. Standard ways of operating will need to quickly change in an effort to recruit and retain hospitality workers that maintain guest experience and thereby the business. We're already seeing a glimpse of these innovative shifts. Here are the key areas that we expect rapid modernization to deal with the changing labor market in our industry:

THE VIRTUAL FRONT DESK WILL ACCELERATE

I'd venture to say that checking in to a hotel is only marginally quicker than it was 50 years ago, despite gradual progress since the days of registration cards and key racks. I don't believe digitalization has resulted in significantly less guest friction industry-wide just yet, but that's about to change. Innovation makes a virtual front desk possible – a front desk with no queue, a former receptionist now a guest experience manager, and immediate access to a room in the space of a few taps on a cellphone. Using resources more efficiently can replace the front desk and minimize the need for reception work.

We just spoke to a Cloudbeds customer who raved about the results of switching to virtual check-in, which has saved her about 16 hours a week in staff time and caused an increase in positive ratings. This was one of those cases where a receptionist became a guest experience manager, thanks to innovation. There's no doubt in my mind that personal job satisfaction is higher for someone curating local experiences than for someone punching in passport data in the majority of cases. That's how you retain staff and delight guests all at once. Redesigning one role, thanks to automation, can allow one person to accomplish the work of two or three, and be happier doing it.

MORE SELF-GUIDED STAFF TRAINING

We'll see the modernization of staff training accelerate, especially given how much turnover we experience in hospitality. Where most industries experience a 10-15% turnover rate, recent [data](#) puts the hospitality industry's rate closer to 70-80% in the U.S. When that much attrition is experienced by an already short-staffed team, property owners will be looking for ways to lower the training costs of staff, many who will inevitably leave. Yes, some of the biggest, luxury brands may still offer high-touch onboarding and orientation. At independents and smaller brands, however, we'll start to see online training quickly and efficiently get new team members up to speed.

Hospitality technology vendors, for example, increasingly provide self-guided online training and videos, going beyond lessons on how to use their platforms by providing valuable courses on everything from Standard Operating Procedures (SOPs) to revenue management basics. When property-specific training needs arise, technologies like AI video creators provide the solution. With the click of a few buttons and a typed script, a compelling human avatar can perfectly deliver the details of your training manual on video, with a shot of your property in the background. This will save resources, allow trainees to come up to speed quickly, and help curb staff shortages. Properties no longer need someone in the backroom training all day. Their energy can be focused in other places, like giving the current staff the development they need to create outstanding guest experiences.

HOSPITALITY ROLES WILL BECOME INCREASINGLY FLEXIBLE

Flexibility is key in today's workforce. While many industries have pushed toward more remote work, there's no way around the fact a property still needs positions that show up on-site. Innovation that enables staff flexibility between these two options will be paramount. We've seen how messaging platforms improve guest communication. We can expect this kind of tech to improve communication between staff and management so that critical information like schedule changes aren't only available onsite. The schedule is key. Innovative operational technology will make it so that staff can be easily managed without having to demand very long hours, assigned with only a week's advance notice. Innovation has already enabled how workers are paid, too, like same-day pay and digital tipping.

We expect to see more of this, just as I expect that more work will be done remotely in hospitality than ever before. Cloud-based systems will allow certain responsibilities to be done from anywhere, like reporting, scheduling, handling future guests' needs, communicating with current guests and arranging to help them in real-time. Technology, driven by staffing preferences for flexibility, will eventually shift the hospitality mindset. It will prove that there are plenty of areas of work that can be done remotely with new and innovative systems and tools.

Staff shortages are nothing new for hospitality. It might look like staff shortage is here to stay, in our post-pandemic world. Candidly, that's an incorrect assumption. Smart properties will see how innovative technology can change the way they operate. These will be the trendsetters who overcome staff shortage while simultaneously improving guest experience. Others will race to catch up.

One thing's for certain, hospitality workers are the real heroes and deserve the attention of every Next-Gen technologist out there. Without them, our world would be a far less-connected and culturally immersive place.



Richard Castle — Co-Founder and COO, Cloudbeds

Richard Castle is the co-founder and COO of Cloudbeds, the hospitality management platform powering more reservations and happier guests for lodging businesses worldwide. Under his purpose-driven leadership, Cloudbeds has grown into a company that has generated billions of dollars in revenue for thousands of properties alongside a fully-remote, distributed workforce of 700+ people in more than 40 countries. Together with his co-founder, Adam Harris, they have amassed awards for culture, product, and innovation including Forbes' America's Best Startup Employers, Inc's Best Workplaces, and EY Entrepreneur of the Year.

Cloudbeds — [cloudbeds.com](https://www.cloudbeds.com)

Cloudbeds is the platform that powers hospitality, enabling tens of thousands of lodging businesses in more than 150 countries worldwide to grow and thrive. The award-winning Cloudbeds Platform brings together technology solutions to increase revenue, delight guests, and streamline operations into a single unified system, enhanced by a curated marketplace of third-party integrations. Founded in 2012, Cloudbeds was named No. 1 PMS, No. 1 Hotel Management System, and No. 1 Guest Messaging Software by Hotel Tech Report in 2023 and was recognized as a major player in the 2022 IDC Marketscape Report. For more information, visit www.cloudbeds.com.