



2024 LABOR MARKET OUTLOOK

Hospitality

The State of Hospitality

U.S. employment returned to its pre-pandemic level in June, 2022. 18 months later, it has still not fully recovered in accommodation and food services, one of the sectors most heavily disrupted,¹ even though wages have grown faster than any other sector. Over the next decade, industry employment is projected to grow only two-thirds as quickly as in the economy overall as businesses shift from highly labor-intensive full-service restaurants and hotels to leaner versions that rely on self-service and delivery.² One part of the hospitality sector projected to grow rapidly, however, is hospitality technology.



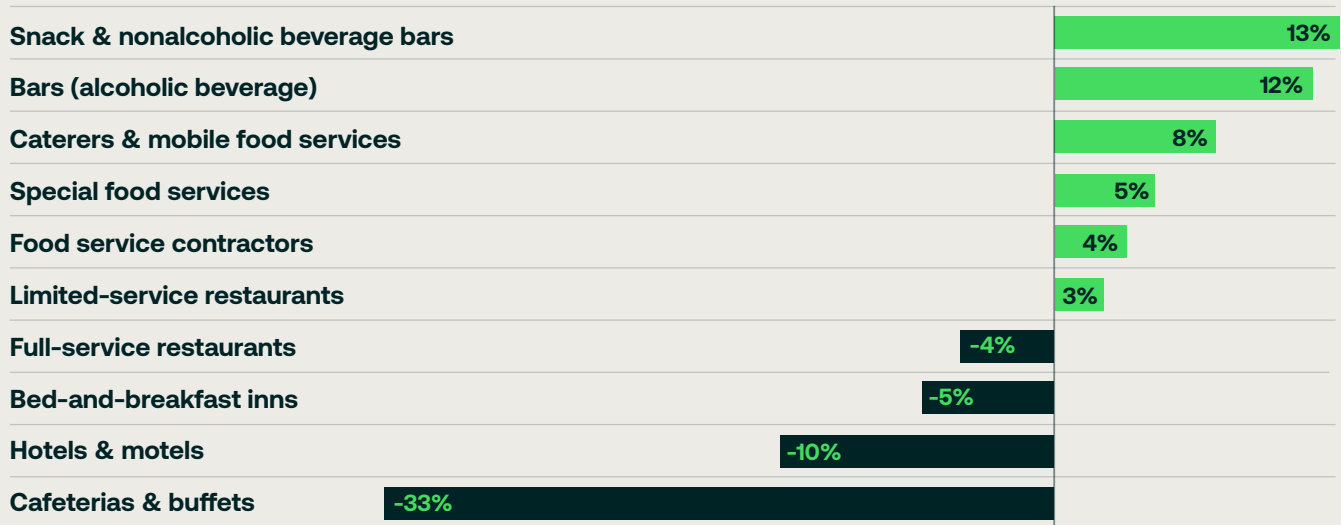
Technology is transforming the hospitality sector. Core service roles will always remain central, but for hospitality companies to attract top tech talent, companies must build a reputation for innovation and forward-thinking.

-Julia Pollak, ZipRecruiter Chief Economist



Hospitality jobs are moving from high-overhead businesses to leaner, more limited-service businesses

% change in payroll employment since February 2020



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, Dec. 8, 2023.

¹ "Current Employment Statistics," U.S. Bureau of Labor Statistics, Dec. 8, 2023.
² "Employment Projections 2022-2023," U.S. Bureau of Labor Statistics, Sept. 26, 2023.

Future Talent Needs in Hospitality

Since the pandemic, digital, contactless experiences have become ubiquitous—mobile check-in, QR codes for guest management, AI chatbots for reservations, virtual tours, occupancy sensors, self-service restaurant kiosks, and delivery apps that send orders to ghost kitchens. The market for hotel and restaurant tech is booming, as is hiring for back-of-the-house corporate roles involved with leveraging technology and data.

As a result, restaurants and hotels are increasingly competing with major tech companies to fill technical roles that are proving crucial for forecasting demand, optimizing inventory levels, minimizing waste, and identifying trends in consumer behavior. At the same time, they are increasingly using specialized technology for recruiting, onboarding, scheduling, and managing talent in roles at the front of the house efficiently. Businesses will need to strike the right balance between minimizing labor costs and providing the welcoming, personalized customer experience that consumers still value. The enduring appeal of personal service is why 41% of industry job postings on ZipRecruiter still highlight soft skills rather than technical skills as key job requirements.³

Industry Snapshot

Top-performing markets

Based on average # of applies per posting

Job seekers in hospitality on ZipRecruiter express the greatest interest in these markets:



New York, NY



Houston, TX



Clovis, CA



Los Angeles, CA



Chicago, IL



Henderson, NV

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023–Oct. 24, 2023; markets and roles with over 100 postings.

Fastest-growing job titles

Based on change in job postings, 2022 to 2023

Demand for these roles rose between 2022 and 2023:



Housekeeper



Cook



Night Auditor



Restaurant Server



Front Desk Agent

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023; roles with over 100 postings.

Top-performing job titles

Based on average # of clicks per posting

Job seekers on ZipRecruiter express the highest interest in these roles:



Administrative Assistant



Front Desk Receptionist



Hotel Services Sales Representative



Restaurant Worker



Club Concierge

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; roles with over 100 postings.

³ ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023.

Three Trends to Watch

1. Leaner restaurants

Employment has declined more than 3% in full-service restaurants since before the pandemic, but grown in limited-service restaurants, mobile food trucks, food service contractors, and alcoholic bars. Juice and smoothie bars and other nonalcoholic snack bars have expanded employment most rapidly, by more than 13%.⁴ The shift suggests that jobs are moving from large restaurants with high overhead to stores and stands with a smaller footprint, or to ghost kitchens in lower-cost locations partnered with delivery services.



2. More self-service

Hotel room service was declining before the pandemic, and hotels were already asking customers to reuse their towels, but the pandemic hastened the death of room service and daily housekeeping. Expect the shift towards leaner offerings, self-service, and fees for extras to continue. Hotel guests have now become accustomed to making their own beds and ordering food through delivery apps, and businesses have grown accustomed to the savings.

3. More corporate hospitality roles

Corporate roles accounted for just over 1% of The Cheesecake Factory's global operations in the decade between 2009 and 2018, but over 3% on average since 2020.⁵ The restaurant has been at the forefront of using data to forecast demand and optimize inventory levels and procurement processes. Other restaurants and hotels are making similar investments, expanding their corporate and tech roles while making the rest of their operations leaner and more efficient.



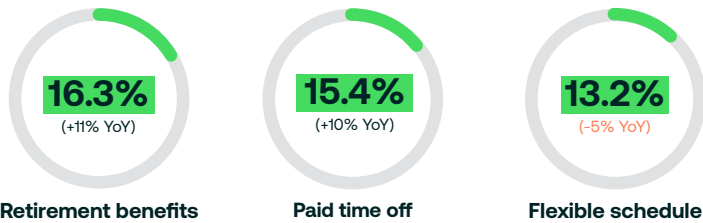
⁴ "Current Employment Statistics," U.S. Bureau of Labor Statistics, Dec. 8, 2023.

⁵ "Number of employees at The Cheesecake Factory worldwide from 2009 to 2022, by segment," the Cheesecake Factory, Feb. 2023.

Attracting the Workforce of Tomorrow

Trending benefits

Mentions of benefits in job postings on ZipRecruiter



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023.

3.4%

of hospitality job postings on ZipRecruiter offer remote work.

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023.

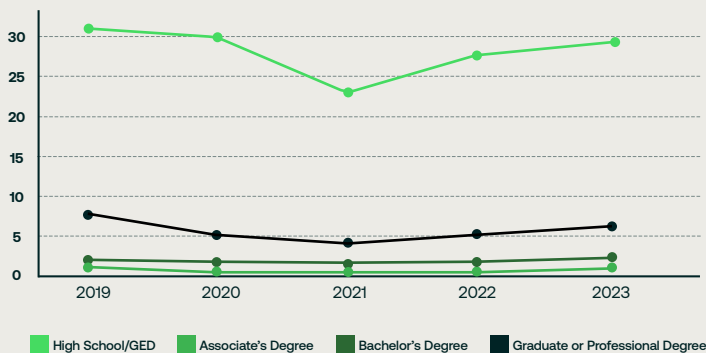
63.7%

of hospitality job postings on ZipRecruiter are hourly.

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023.

Evolving job requirements

Hospitality employers relaxed job requirements when industry labor shortages were most acute, but have since raised the bar again, now that labor supply has partly recovered.



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2019 - Oct. 24, 2023.

ZipTips

To recruit and retain hospitality talent at the front of the house while recruiting top tech talent to head office:

1. Fully leverage competitive pay

Since the pandemic, wages have grown fastest in hospitality. The first reason is that the industry has been unable to compete on remote work with industries where flexibility is more feasible. The second is that cities and states have enacted large minimum wage increases. To capture the full productivity benefits of paying more, publicize your pay increases prominently in job postings and company communications to attract higher-quality candidates, then refine your hiring process to secure the best matches.

2. Offer upskilling opportunities

Major fast food chains have made large investments in upskilling their workforce, providing pathways for employees to move from the front of the house to the back of the house, and even to head office. Employees value opportunities to learn and grow at a company, so the investment can have high returns in terms of employee morale, performance, and retention.

3. Boost awareness of tech roles

Many tech candidates are simply unaware of the exciting opportunities in hospitality. Increase the appeal of your tech roles by emphasizing the impact your innovations are having on customer experience. Demonstrate a commitment to staying at the forefront of technology by investing in emerging trends. Provide the flexible work arrangements that tech employees expect, while cultivating a positive and inclusive company culture through frequent online and offline collaboration opportunities. Maintain strong connections between the front of the house, back of the house, and headquarters so that tech investments are made with the end user always in mind and have maximum impact.