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Hospitality & Restaurant

— 2023 —
WORKFORCE
TRENDS
REPORT
SERIES

Findings and insights from the 2023
Benefits Strategy & Benchmarking Survey

US EDITION

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Introduction

Staffing challenges and an evolving marketplace, now expanded to include the virtual market space, demand new approaches to retaining talent and driving satisfaction in the hospitality and restaurant industry.

As workforce expectations change across generations, a focus on the employee experience is one solution that stands out. Realigning cultural elements and providing opportunities for growth can make transactional work more engaging while supporting organizational attachment.

Wellbeing is at the center of **Gallagher Better WorksSM**, our comprehensive approach that aligns your people strategy with your overall business goals. It focuses on the full spectrum of organizational wellbeing — taking a strategic approach to investments in employee wellbeing at the right cost structures to support diverse workforce needs.

Part of our Workforce Trends Report Series, this addendum highlights key findings and implications based on 169 hospitality and restaurant organizations that participated in our 2023 Benefits Strategy & Benchmarking Survey. From broad insights to specific findings, you'll gain a practical perspective on trends and best practices to help you face your future with confidence.



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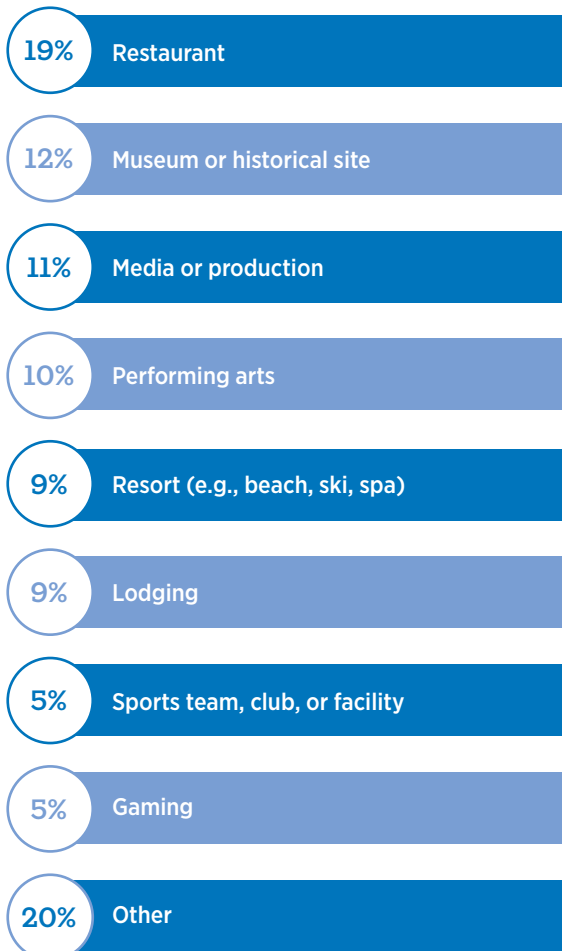
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Benefits Strategy & Benchmarking Survey Hospitality & Restaurant Participant Profile

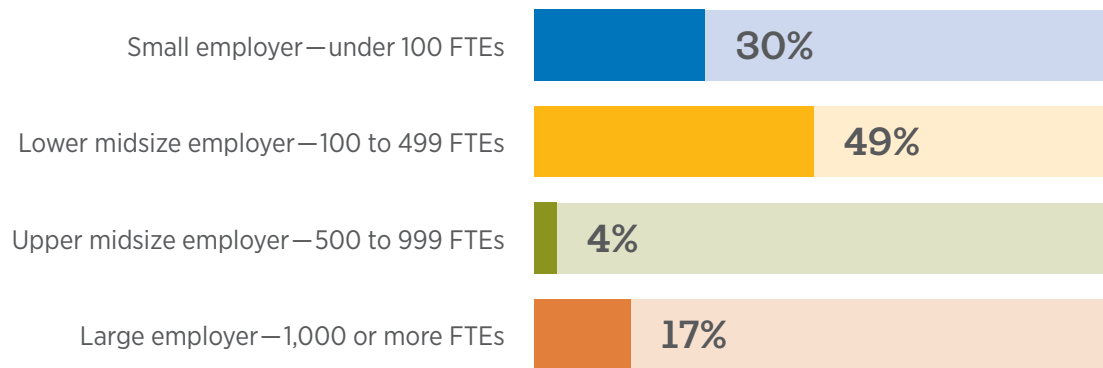


169
Hospitality and restaurant organizations

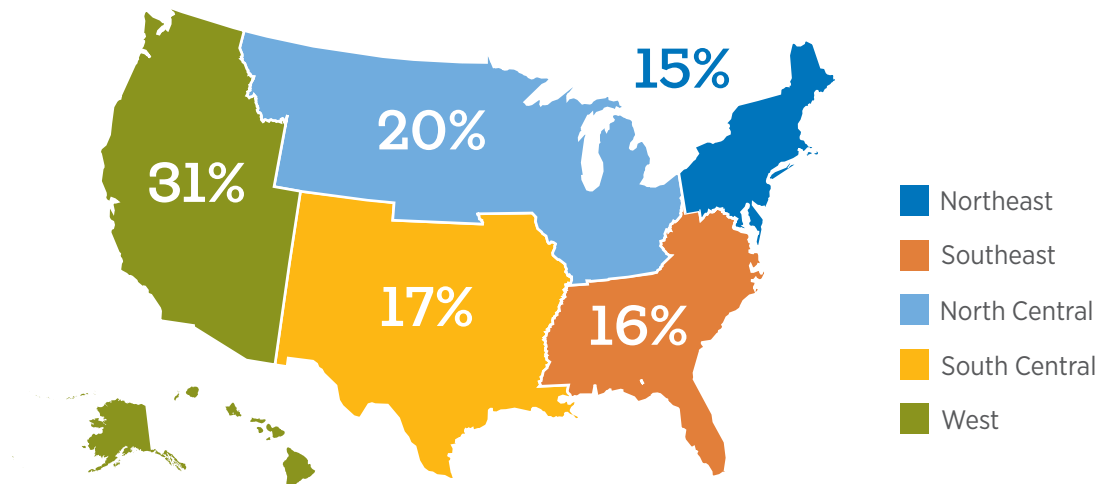
Type of hospitality and restaurant organization



Workforce size—full-time equivalents (FTEs)



Geography



Key Takeaways for Hospitality & Restaurant Employers

Organizational Wellbeing



Attraction and retention are key to growth, and the means to this end is an inclusive culture that provides a fulfilling employee experience.

Physical & Emotional Wellbeing



Healthcare plan choice, select cost-control measures and emotional wellbeing resources combine to create aligned policies and benefits that demonstrate a commitment to care.

Career Wellbeing



Together, career achievement and organizational culture drive engagement and the ability to create positive customer relationships.

Financial Wellbeing



Offering financial wellbeing resources that broadly address specific and variable needs supports workforce health, productivity, and engagement across the entire career spectrum.

Organizational Wellbeing

Inclusive work cultures gain an advantage by providing a more fulfilling employee experience.

Emphasizing revenue in an industry permanently altered by technology and other forces of change can impact strategies for growth. But talent management is still central to success. Competitive wages are a given, although market volatility and shifting employee priorities prompt employers to find new ways to differentiate. What shouldn't change, regardless of expected tenure duration, is a focus on providing an excellent employee experience.

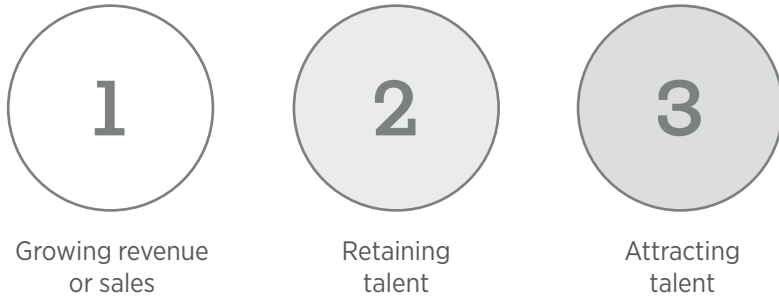
When hospitality and restaurant employers develop talent from within they're better positioned to stabilize headcount, address operational gaps and deliver optimal service levels. Diversity, equity, and inclusion (DEI) initiatives help to align the organization's values with workforce demographics and customer expectations. Also important are efforts to collaborate with stakeholders, which avoids tokenism and unintended exclusion. Informed planning is the basis for improvements that broadly resonate with employees.



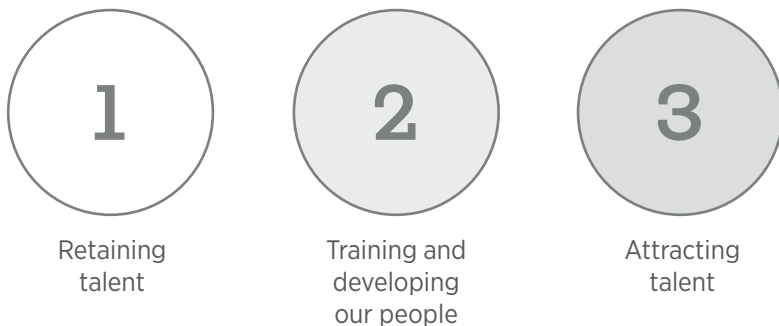
Nearly
1 in 2

Experienced turnover of 20% or more in 2022

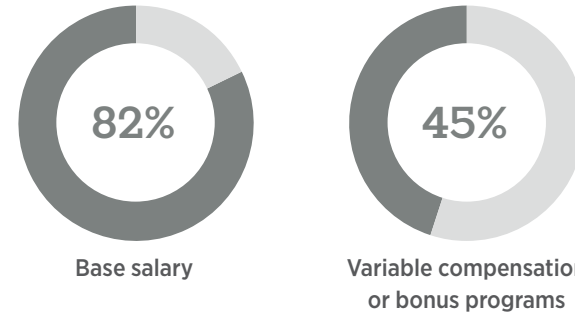
Top operational priorities



Top HR priorities

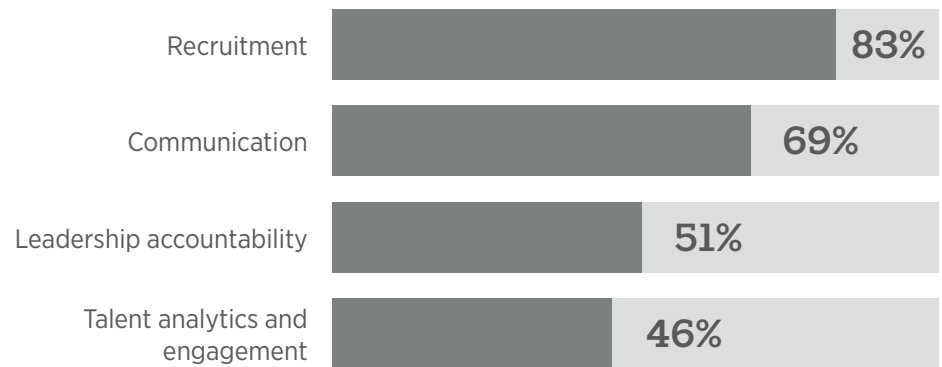


Total rewards aspects enhanced to meet recruitment and retention objectives



54% Use DEI initiatives to align with the organization's core values

Areas of the organization that have integrated DEI standards



Physical & Emotional Wellbeing

Benefits design that aligns with employee priorities and supportive care programs work together to control costs and boost wellbeing.

Offering a choice of medical plan options can help employees find the right balance between coverage needs and first-dollar responsibility. For employers, value-focused, data-driven pharmacy management will support efforts to flatten costs.

Networks that meet patients where they are and consider the social determinants of health, such as telehealth, help to close service gaps. Cost sharing and employee education may also lower expenses by steering patients away from the emergency room to more appropriate non-emergent care sites. Strategies for medication adherence, recovery coaching, disease management and care coordination also maximize outcomes.

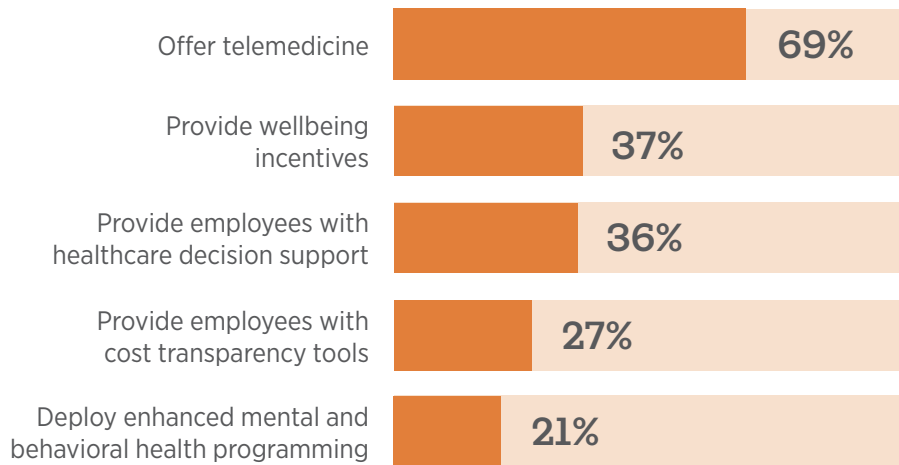
Emotional wellbeing benefits that extend to leave policies allow time to focus on major life challenges. By aligning policies and benefits, organizations affirm the importance of care for employees and their dependents.



More than
4 in 5

Offer 2 or more medical plans

Healthcare cost-control tactics used in 2023



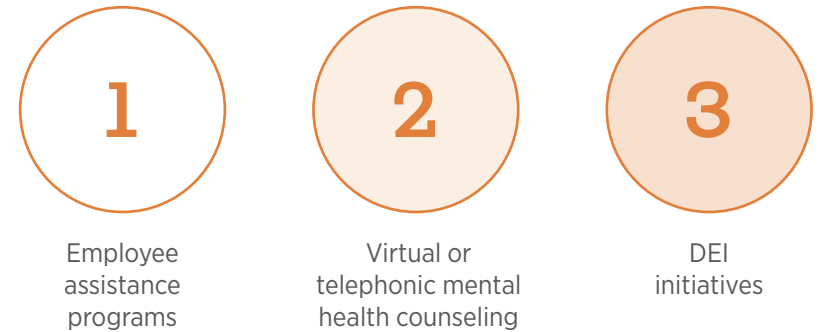
57%

Increased employee cost sharing at the most recent renewal

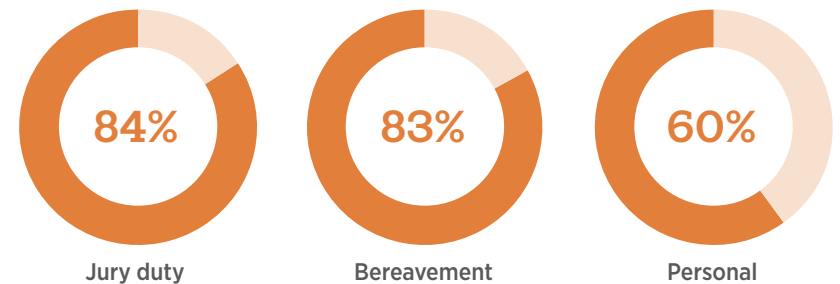
54%

Promote preventive care and age appropriate screenings

Top components of emotional wellbeing initiatives



Common non-mandated leave programs



Career Wellbeing

Opportunities to achieve career goals, and an engaging culture, drive the ability to form positive customer relationships.

Service excellence requires a well-trained and highly engaged workforce. Through career development programs employers can align individual goals for success with organizational priorities for retention and growth. Building job-focused skills, offering cross-training and providing career path opportunities increases engagement by making room for employees to level up. When programs are extended to essential part-time and gig workers, more roles are likely to be filled permanently.

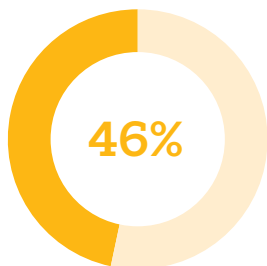
Burnout is still a key concern. Besides performance coaching and development training for leaders, learning to recognize signs of behavioral health conditions is important at all levels. Knowledge of support options allows other employees to point to these resources when help is wanted. Even if there's no immediate need, communications on extracting maximum value from health and wellbeing benefits are appreciated — because they offer guidance that can improve outcomes.



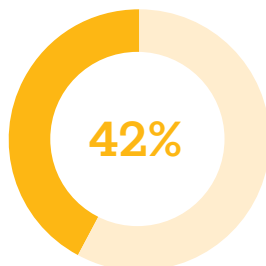
Nearly
3 in 5

Consider their workforce highly engaged

Tactics used to improve employee engagement



Provide employee recognition for superior performance



Support employees in developing and pursuing a career path

44%

Agree their managers are well-equipped to refer employees to mental health support services

57%

Have a strategy for improving employee engagement

Top components of career wellbeing initiatives



Employee development training

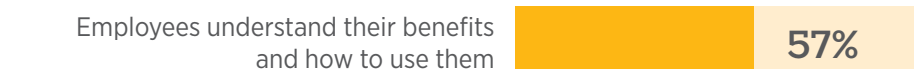
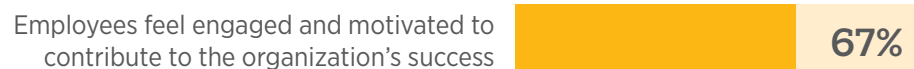


Ongoing performance feedback or coaching



Management or leadership development training

Outcomes of employee communication considered most important



Financial Wellbeing

Financial tools that help build and maintain quality of life are instrumental to overall health and wellbeing at all career stages.

Financial situations and perspectives differ among a diverse workforce. Yet for many, high interest rates and price inflation have weighed heavily on spending power and savings goals. An understanding of employees' current and future financial needs helps employers select wellbeing benefits that are likely to provide the best possible value.

Employee discount programs, budgeting guidance and debt reduction counseling can help stretch the value of a dollar to create savings. Offering practical resources like these, and financial skill-building, also supports a strong employee brand.

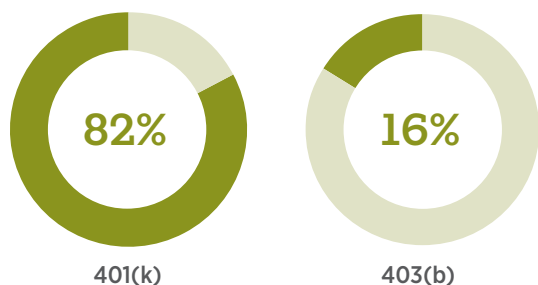
All employees should have opportunities to solidify their financial footing in retirement. For some, that means plan options and employer contributions. For others, saving starts with financial literacy and emergency funds. Educating the workforce about available options drives participation.



84%

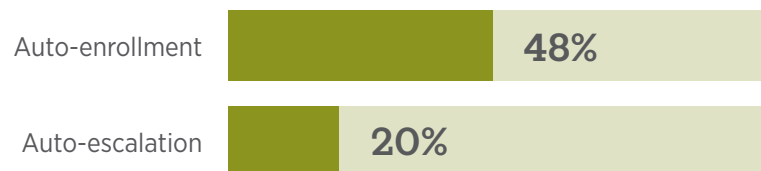
Have a retirement program

Most common retirement plans offered



More than
4 in 5
Match employee contributions

Methods used to promote better savings habits



57% Increased their focus on employee financial wellbeing in 2023

Top components of financial wellbeing initiatives



Final Remarks

People are always a part of the solution in the hospitality and restaurant industry. Despite sustained inflation and economic uncertainty, employers continue to find new ways to attract and retain talent. Taking a holistic approach to the employee experience is key to delivering on customer expectations and capitalizing on opportunities to increase revenue. And efforts to reduce workplace friction and upskill employees for their next role, along with career growth opportunities, are critical to retention.

The collective wellbeing of the workforce drives organizational achievement. Engagement initiatives help employees stay connected to the values and mission that drive and define business success while building an attractive employee brand. What often follows is fewer job vacancies, reduced turnover and better client-facing interactions.

Supporting the ability to attain and sustain financial wellbeing can boost engagement and productivity levels, which are often challenged by work stress. For many, that includes the physical demands of their jobs. Providing a safe and inclusive environment promotes the optimal health of both employees and operations. Access to mental health and emotional wellbeing resources is also important, and topics such as preventing conditions or learning about personal health concepts are increasingly available. Soundness in body, mind, and spirit makes employees less vulnerable to burnout and more capable of contributing to organizational success.

For additional insights and custom benchmarking on the latest trends impacting hospitality and restaurant employers, contact your local Gallagher consultant.

About Gallagher

Your people are your organization's greatest asset.

But daily hardships — like economic uncertainty, personal and family health concerns, and insufficient resources or staffing at work — can take a toll on your people and leave your business struggling with hindered productivity, heightened disengagement and strained retention.

That's why every aspect of your benefits and compensation program needs to work in concert to promote overall employee wellbeing. Offering robust medical coverage and a competitive retirement plan isn't enough in today's hyper-competitive labor market.

As employees across all geographies, industries and employer types navigate the ever-changing world, organizations must critically evaluate their people's experience in the workplace — finding unique ways to engage teams, establish authentic connections and support employee wellbeing overall.

Doing so can help your business attract top talent, motivate employees and shift the organizational culture so employees feel differently about their work. When organizations find ways to reduce burnout and increase productivity among their people, business performance can soar.

This is why employee wellbeing is at the center of Gallagher Better WorksSM — a comprehensive approach for strategically investing in benefits, compensation, retirement, employee communication, and workplace culture so you can support your people's physical and emotional health, financial confidence, and career growth at the right cost structures.

From evaluating the demographics of your workforce to surveying and analyzing competitor trends, Gallagher offers you data-driven insights — allowing you to make the most of your investment in talent, deliver a better people experience and reduce organizational risk.

Even in times of uncertainty, Gallagher's consultants are here to help you optimize your profitability with a strategy rooted in the wellbeing of your people — so you can face the future with confidence.



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