The Future of Hospitality Management Education Addendum

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Table of Contents

1.   Introduction

This paper is an addendum to the white paper titled "The Future of Hospitality Management Education" produced in May 2020. This addendum was commissioned by the Council for Hospitality Management Education (CHME), in association with the Institute of Hospitality (IoH) to consider the impact of the COVID-19 pandemic on hospitality management education enrolments in the UK and Europe. CHME's aim is to provide a comprehensive understanding of the future of hospitality management education which can guide stakeholders and decision makers in higher education institutions, professional bodies, government, and hospitality businesses.

The hospitality industry is still recovering from the COVID-19 pandemic. According to the UNWTO (2022), there were 1 billion less international tourist arrivals in 2021, accounting for an expected loss of US$ 0.9 trillion to US$ 1.0 trillion in total export revenues and over 100 million jobs at risk. Clark, Mauck, & Pruit (2021) observed that the hospitality industry suffered more economic damage from COVID-19 than any other industry due to hygiene and cleanliness concerns which undermined the premise of the industry, guest safety. These figures emphasise the vulnerability of the hospitality industry to the COVID-19 pandemic which interrupted our rights to travel and work in the industry (Baum & Hai, 2020).

During the pandemic, many hospitality employees either lost their jobs, were furloughed or faced a reduction in working hours (Croes, Semra, & Rivera, 2021). As most COVID-19 restrictions have eased in the global north, hospitality employers are returning to a labour market crisis. In the UK, 14% of staff roles are currently vacant (UK Hospitality, 2022). The time away from work during the pandemic enabled employees to evaluate the opportunities available to them. Many have gained employment in other industries which they consider have better working conditions or decided to pursue other life pathways. This was an unexpected consequence and many hospitality employers are now reflecting on the value of their offer in attracting and retaining talent. Hospitality management education has a vital role to play in developing this talent and it is important to understand if the pandemic has also impacted on students' desire to study hospitality.

2.   Methodology

The evidence for this addendum is based on the following sources of information:
   a. Review of the academic and grey literature relating to the impact of COVID-19 on the hospitality industry, hospitality management education and the labour market.
   b. Review of the HESA data for the academic year 2019/20 and 2020/21. The 2019/20 academic year saw the implementation of Higher Education Classification of Subjects (HECoS) and the Common Aggregation Hierarchy (CAH). The HECoS classification replaces JACS, used in previous years, with CAH serving to connect HECoS and JACS. As a result of these changes, it is not possible to compare the trends for hospitality

management education before and after this date. The data is no longer available at this level of disaggregation at a CAH level for the academic years prior to 2019/2020. However, it is possible to compare trend data for the broader subject levels using what was N8: Hospitality, leisure, sport, tourism & transport, and the new classification 17-01-06: Tourism, Transport & Travel etc. both of which includes hospitality. The analysis of this new data set is provided below. This change in data and classifications make looking at longer trends difficult and only possible at the broader subject levels which includes Tourism & Events as well as Hospitality.

c. In compiling this data, we used three CAH classifications for hospitality in the data provided. These are:

- 100084: Hospitality Management - The study of the hospitality industry and its management
- 100087: International Hospitality Management - The study of business with relation to management of food and drink operations, front office, and customer service, in hospitality businesses worldwide.
- 100891: Hospitality - The study of the provision of food, drink, and accommodation in a service context.

d. Data compiled by Eurostat (https://ec.europa.eu/eurostat) on hospitality management education.

3.1 Findings

3.1 UK Student Enrolments

During the pandemic, the total number of students enrolling to study hospitality shows an increase of 8% as seen in Table 1. The extent of this growth can be seen in the enrolment of first years as there is a noteworthy increase of 33%, suggesting a strong increase in enrolments in 20/21. The only decline was in enrolments classified under hospitality but this might be explained in some courses being re-classified to the two other CAH classifications. Whilst we are unable to compare the data from the previous years, Table 1 shows that the pandemic *has not wavered interest in students studying hospitality management education but rather there are positive signs for future growth*.

Table 1: First Year and All Enrolments, Hospitality Undergraduate

	2019/20		2020/21		Percentage change	
	First year enrolments	All enrolments	First year enrolments	All enrolments	First year enrolments	All enrolments
Hospitality management	1455	2970	2215	3715	+52%	+25%
International hospitality management	1630	3464	2015	3880	+24%	+12%
Hospitality	250	445	210	425	-16%	-5%
Total Hospitality	3335	6879	4440	7420	+33%	+8%

Source: HESA, 2022

It is also important to note that *courses closely aligned to hospitality management education are also showing indications of growth* as seen in Table 2. These are courses classified as:

- Food and beverage production: The study of the process of commercial manufacture of food and drink, including production techniques and the amount and rate at which foodstuffs are produced.
- Food and beverage studies: The study of the properties and behaviour of food from the point of origin on the farm (or elsewhere), through different stages of storage, transportation, preservation, or other transformations, including domestic or restaurant food preparation procedures, to its use by the consumer.

Table 2: First Year and All Enrolments, Food and Beverage Undergraduate

	2019/20		2020/21		Percentage change	
	First year enrolments	All enrolments	First year enrolments	All enrolments	First year enrolments	All enrolments
Food and beverage production	135	345	210	410	+55%	+19%
Food and beverage studies	420	610	395	715	-6%	+17%

Source: HESA, 2022

Table 3 breaks this data down further to show the enrolments by first degree. The picture is similar to Table 1 in that it highlights a *positive development for students enrolling to study*

hospitality. However the changes for first degree are not as large as the changes for first year which may indicate that *some of the growth in enrolments may be attributed to non-first degree and top-ups in the second or final year of study.*

Table 3: First Degree and All Enrolments, Hospitality Undergraduate

	2019/20		2020/21		Percentage change	
	First degree enrolments	All enrolments first degree	First degree enrolments	All enrolments first degree	First degree enrolments	All enrolments first degree
Hospitality management	900	1780	1545	2565	+72%	+44%
International hospitality management	1475	3235	1345	3165	-8%	-2%
Hospitality	150	300	115	290	-23%	-3%%
Total Hospitality	2525	5315	3005	6020	+20%	+13%

Source: HESA, 2022

In undertaking this analysis, student enrolments in hospitality were compared to other courses in the service sector as seen in Table 4. The data indicates that *hospitality management education is performing better than courses in tourism and events management* with both disciplines showing a slight decline in their numbers during the pandemic.

Table 4: First Year and All Enrolments, Service Sector Undergraduate

	2019/20		2020/21		Percentage change	
	First year enrolments	All enrolments	First year enrolments	All enrolments	First year enrolments	All enrolments
Total Hospitality	3335	6879	4440	7420	+33%	+8%
Total Tourism	2265	5290	2130	5320	-6%	
Events Management	2250	6655	2015	6075	-10%	-9%

Source: HESA, 2022

The white paper[1] analysed the broad subject area of N8 (hospitality, leisure, sport, and tourism) which demonstrated that the steady decline in enrolments appeared to be stabilising in 18/19. With the change in methodology[2], this analysis was re-calculated to included N8 and the new classification of 17-01-06 (Tourism, Transport & Travel etc.) as seen in Figure 1. It is evident that there is now a steady increase in the number of enrollments. Interestingly, all undergraduate degree seems to be growing more than first degrees (FDegree) whilst *post-graduate is showing steady performance*. Some of this increase might be due to the change in reporting causing some of the courses to be re-classified. Whilst, bearing this in-mind, this is still a positive picture as this upward trend has continued into 20/21.

Figure 1: Subject Area Trends for N8 (hospitality, leisure, sport, and tourism) and 17-01-06 (Tourism, Transport & Travel etc.)
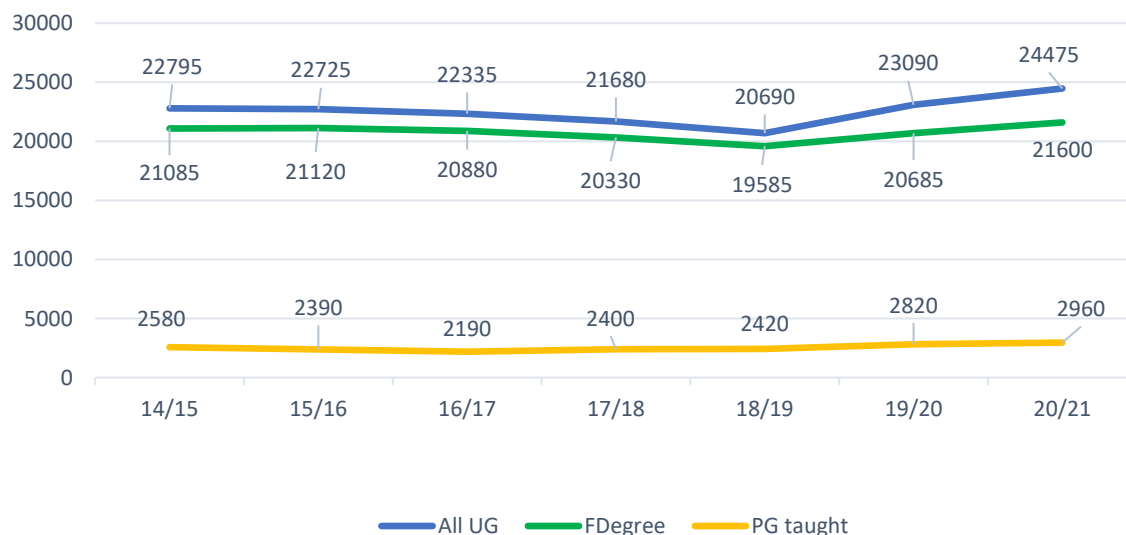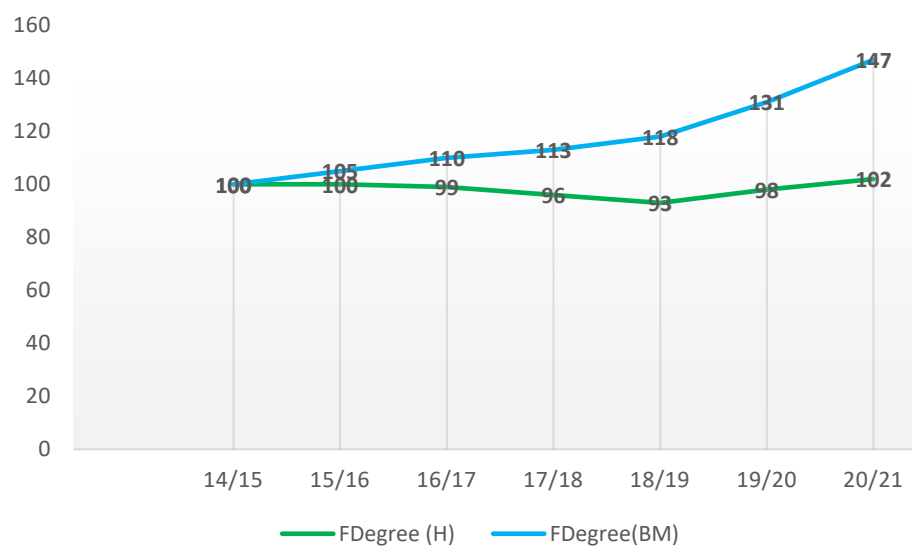

Source: HESA, 2022

Figure 2 has been indexed to a base of 100 from year 2014/15 to compare with students enrolling for a first degree in Hospitality (Degree (H)) with Business and Management (FDegree (BM)). Both disciplines are indicating a rise in enrolments. As expected, Business and Management shows a higher level of enrolments due to the wider number of courses.

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[1] Please refer to: Ali, A., Egan, D., Haynes, N., Holland, C., & Martin, E. (2020). *The Future of Hospitality Management Education*. UK: Council for Hospitality Management Education.
[2] Refer to methodology section.

Figure 2: Comparison Index of Hospitality and Business and Management Enrolments


Source: HESA, 2022

3.2   European Enrolments

In considering the European perspective, the data set in Figure 3 shows a similar pattern as the previously presented date in the earlier report[3]. Decline in student enrolments continues for Ireland, France, and Finland. In comparison, the Netherlands and Switzerland has seen steady growth whilst enrolment in Portugal is on the increase after a dip in 2017. However, Belgium is showing a drop in enrolment after maintaining steady numbers since 2013.

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[3] Please refer to: Ali, A., Egan, D., Haynes, N., Holland, C., & Martin, E. (2020). *The Future of Hospitality Management Education.* UK: Council for Hospitality Management Education.

Figure 3: Number of Students Enrolled in Bachelors' Education (Including Full and Part-Time Studies) in Hotel, Restaurants and Catering
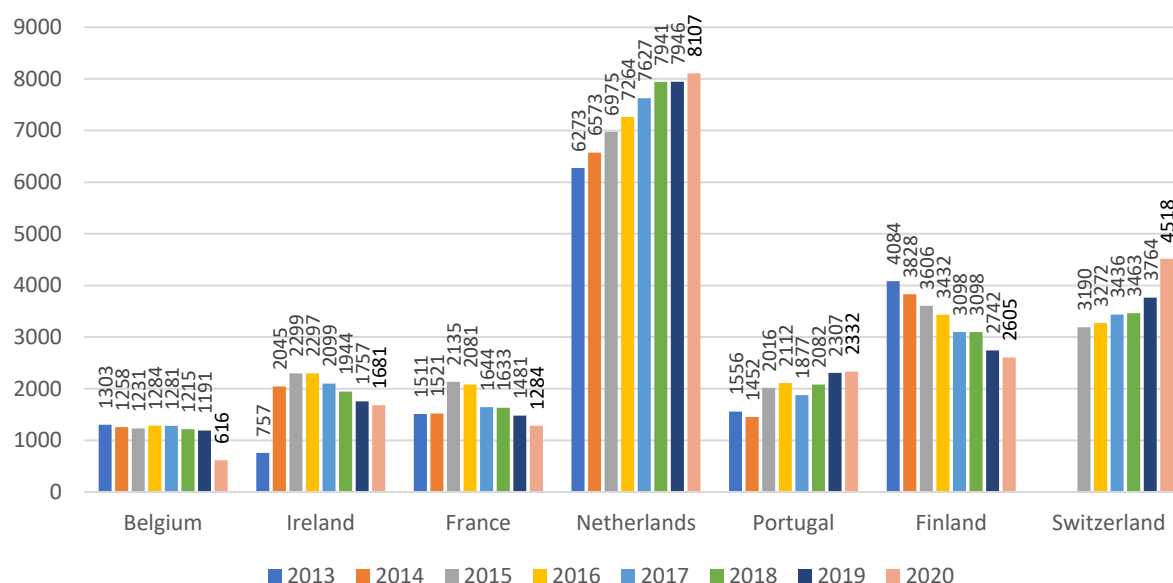
Source: Eurostat, 2022

3.3   2022 Benchmarking Update

3.3.1   Graduate Salaries

According to the High Fliers (2022) report, three of the country's best-known graduate employers are paying salaries in excess of £50,000 this year and a quarter of the country's top employers now offer graduate starting salaries of more than £40,000 with Aldi, who historically have attracted hospitality graduates, now offering £44,000. This report also states that for the first time in eight years, graduate starting salaries at the UK's leading graduate employers are set to increase in 2022 to a new median starting salary of £32,000.

In comparison, Target Jobs (2022) indicate that the average hospitality graduate scheme salary is £24,000 which is an increase on the 2020 average of between £20,000 - £22,000. The benchmarking of graduate hospitality opportunities in Table 5 indicates a median of circa £26,000. These aligns to the Prospects What do Graduates Do 2021/2022 report which indicates the average salary for graduates in the UK is £24,492 but this is still significantly below the offers elsewhere as indicated in the High Fliers 2022 report.

3.3.2   Graduate End Destinations

Table 5 provides an updated comparative analysis of large corporate hospitality and generic business graduate opportunities has been undertaken by benchmarking advertised graduate roles against:

- The requirement for a degree

- Experience required
- Desired skills
- Pay scale
- Length of graduate programme

Table 5: Graduate role requirements March 2020 – 2022

	Hospitality 2020	Hospitality 2022	Generic Business 2020	Generic Business 2022
Degree requirement	Majority of employers require a hospitality degree	Majority of employers have shifted to focus on any degree or business experience	Any business-related degree	Any business-related degree
Experience required	Majority require 12 months experience in hospitality	Experience is preferred for most but a passion for hospitality appears to be gaining greater traction.	Majority do not require any work experience	Majority do not require any work experience
Desired skills	• Passion for hospitality • Passion for learning • Leadership Potential • Team orientated and able to collaborate • Communication skills • Agile and able to work in a fast paced and challenging environment • Ability to self-manage	• Passion for hospitality • Passion for learning • Leadership potential • Ambitious • Customer Service Skills	• Willing to learn • Team worker • Communication skills • Person orientated skills • Decision making • Initiative • Problem solving • Passion for learning	• Willing to learn • Team worker • Communication skills • Person orientated skills • Decision making • Initiative • Problem solving • Passion for learning • A flexible and adaptable approach to work
Pay scale	£20,000 - £22,000	£22,000- £30,000	£29,000 - £44,000	£30,000 - £44,000
Length of graduate programme	1 - 2.5 years	6 months – 2 years	1 - 2 years	1 - 2 years

This review of graduate role requirements does indicate some positive shifts in the graduate hospitality job market with an increase in salaries but there is less focus on hospitality specific experience. There also appears to be less attention given to the skills required from the candidate and more focus on what the organisation can offer including learning and development through the programme, bringing these job opportunities in line with the generic business graduate programmes.

Despite the literature indicating an increased need for flexibility and agility in the workforce post COVID-19 (IBM, 2020) these appear to be skills desired more by the generic businesses rather than hospitality. Perhaps this is a reflection upon the ability of the hospitality businesses to return the flexibility desired by individuals.

As a case example of the shift in how hospitality organisations are looking to appeal to individuals, Accor is now more explicitly advertising the ways that individuals can engage with them and become the future of 'Augmented Hospitality' in which flexibility and agility are required to 'anticipate a customer's every need'. Accor's recruitment page headline is:

> *All the great leaders start somewhere –with experiences that allow them to flourish, grow and become the best version of themselves. YOU can be this great leader and we are the opportunity you've been waiting for. Become an actor in your own development and discover internship, apprenticeship and graduate program opportunities that will fast track your career and contribute to your professional...and personal fulfilment!*

The strategy appears to be to appeal to people as individual's, allowing them to shape and manage their own life and career journeys, putting the power with the individual rather than the employer. This reflects the literature which indicates an increased individualistic focus in society in which self-identity development is key (Bakhshi et al., 2017).
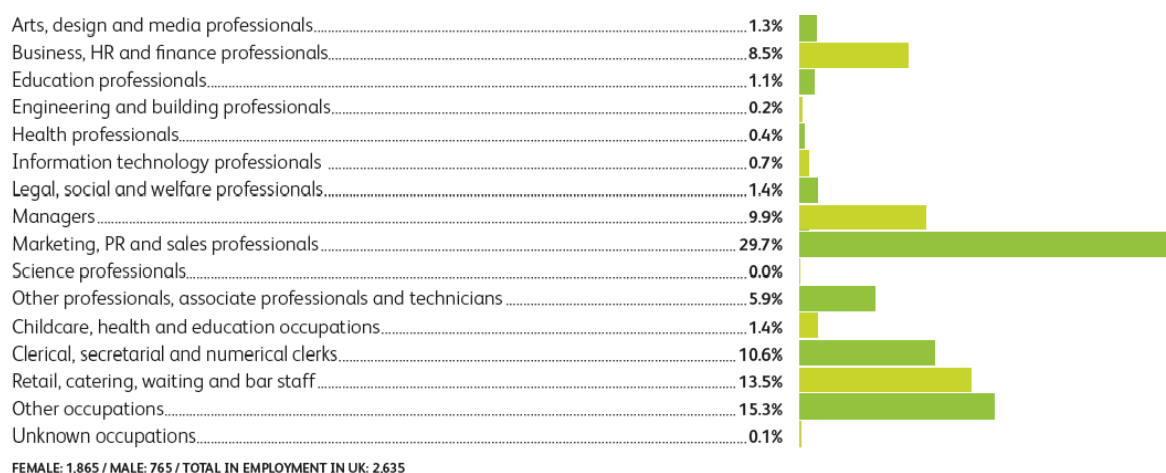
Alongside their Inspire Management Training Program they also offer the Take Off worldwide student competition which gives students with the opportunity to explore a challenge facing the business and host Student Meet Ups with the aim of providing a virtual space at which students, potential candidates and Accor Experts can meet to discuss strategic subjects in hospitality, ask questions and talk to ambassador employees.

The job categories outline also reflect the range of opportunities available rather than the traditional 'Front of House' and 'Back of House' categories with Business Development, Corporate Social Responsibility, Design and Digital Products, Information Technology and Data Analytics sitting alongside the traditionally advertised areas.
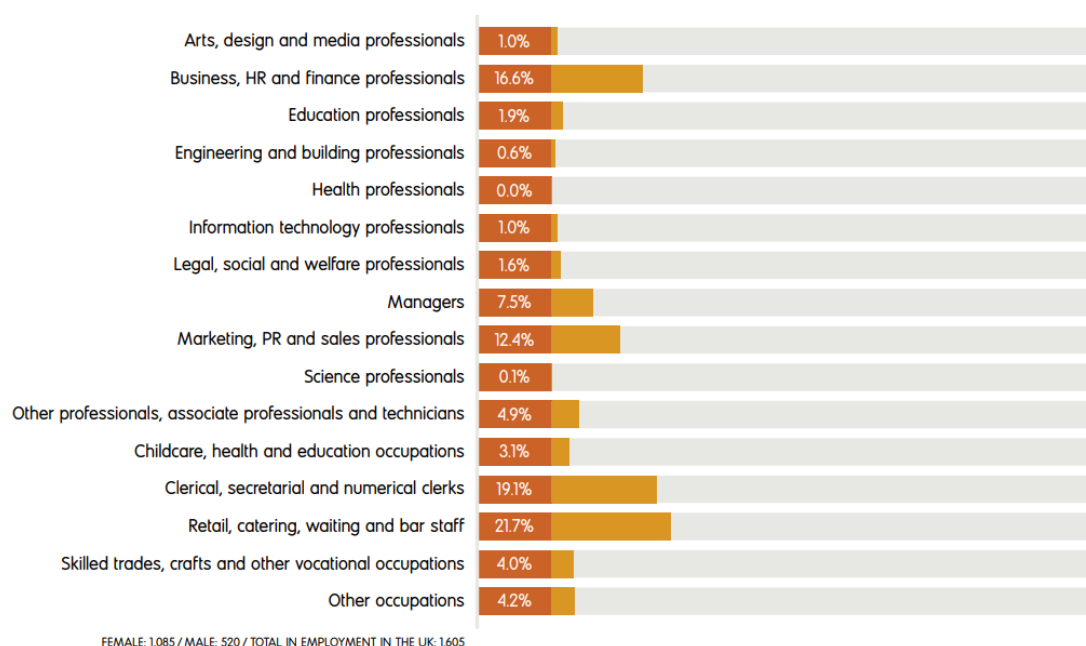
3.3.3   Type of Work Graduates Undertake

The figures below show that in comparison to 2020, hospitality graduate employment in retail, catering, waiting and bar staff has increased from 13.5% to 21.7%, making it the top destination for hospitality graduates followed by Clerical, Secretarial and numerical clerks (19.1%) and Business, HR and Finance (16.6%):

Figure 4: Type of Work for those in Employment - Hospitality, Leisure, Tourism and Transport Graduates 2020

Arts, design and media professionals	1.3%
Business, HR and finance professionals	8.5%
Education professionals	1.1%
Engineering and building professionals	0.2%
Health professionals	0.4%
Information technology professionals	0.7%
Legal, social and welfare professionals	1.4%
Managers	9.9%
Marketing, PR and sales professionals	29.7%
Science professionals	0.0%
Other professionals, associate professionals and technicians	5.9%
Childcare, health and education occupations	1.4%
Clerical, secretarial and numerical clerks	10.6%
Retail, catering, waiting and bar staff	13.5%
Other occupations	15.3%
Unknown occupations	0.1%

FEMALE: 1,865 / MALE: 765 / TOTAL IN EMPLOYMENT IN UK: 2,635

Source: Higher Education Careers Services Unit (HECSU), 2018

Figure 5: Type of Work for those in Employment - Hospitality, Leisure, Tourism and Transport Graduates 2022

Arts, design and media professionals	1.0%
Business, HR and finance professionals	16.6%
Education professionals	1.9%
Engineering and building professionals	0.6%
Health professionals	0.0%
Information technology professionals	1.0%
Legal, social and welfare professionals	1.6%
Managers	7.5%
Marketing, PR and sales professionals	12.4%
Science professionals	0.1%
Other professionals, associate professionals and technicians	4.9%
Childcare, health and education occupations	3.1%
Clerical, secretarial and numerical clerks	19.1%
Retail, catering, waiting and bar staff	21.7%
Skilled trades, crafts and other vocational occupations	4.0%
Other occupations	4.2%

FEMALE: 1,085 / MALE: 520 / TOTAL IN EMPLOYMENT IN THE UK: 1,605

Source: Prospects, 2022

In a shift away from 2020, less Business and Management Graduates are entering into retail, catering, waiting and bar staff with the top three areas of employment being Business, HR and Finance (23.5%); Marketing, PR and Sales (18/9%) and Clerical, Secretarial and numerical clerks (14.7%) and Retail, catering, waiting and bar staff coming in fourth with 12.1%

12

(Prospects, 2022). However, comparing the destinations of hospitality and Business Management graduates it is still clear that the main occupational roles held by both groups are similar. Graduate recruitment in retailing was up 70.8% in 2021 comparison to 2020 (High Fliers, 2022) perhaps indicating a need to fill the skills shortages in the sector that have only been compounded further by Covid-19.

3.4   Summary of Key Findings

- Despite the challenges of the COVID-19 pandemic, data from the last two years show student enrolment in hospitality management education in the UK is showing positive signs of growth. There is a mixed picture for Europe.
- There seems to be growth on both enrolment for first year and first degree.
- Prior to the pandemic, many hospitality employers were seeking graduates with a hospitality degree however they have now shifted and accepting applicants with any degree or business experience. There is also a change in focus on how the organisation can support the applicant in their career development. This may be due to the current labour shortage. Whilst there have been improvements with the starting salaries for hospitality graduates which is in line with expectations, it is still significantly below what these graduates can achieved in other industries.
- The recommendations provided in the earlier report are still valid as the hospitality industry continues its recovery from the pandemic. These are summarised below:

  Recommendations
  - Make further and higher education providers aware that enrolments in hospitality management are starting to show an increase.
  - Explore how to enable captains of industry. These people are hospitality business leaders with influence. Captains of industry can strengthen and further develop industry-education collaboration by being strong supporters of hospitality management education. This can also help to combat hospitality's image issue.
  - Investigate how the hospitality industry can become more professionalised by working further with the industry and professional bodies. This may help to reduce the negative industry perceptions and add value to having a hospitality management education.
  - Collaborate with the industry to provide support in enabling more competitive graduate schemes and job offers. This could potentially increase the value of having a hospitality management education.
  - Utilise the dynamic structure of the hospitality industry as a unique selling point in attracting changing learners. Businesses in the hospitality industry vary by the type of offer (accommodation, food and beverage, leisure services), size (from large multi-national organisations to microbusinesses) and ownership models (entrepreneurs, family businesses, franchise, leasehold, management contracts, joint ventures).

4.   Conclusion

There is a clear case for advocating for hospitality management education in the UK as the number of enrolments are showing strength in their improvement. Due to the change in methodology, caution must be exercised in comparing the data before the pandemic. However, enrolments for the past two years show an increase in total enrolments of 8 % and an increase of 33% of enrolments for first years. There are a larger number of enrolments for first year of study as compared to first degree. This may be attributed to students being able to join hospitality degree programmes from different pathways.

Post-graduate enrolments continue to maintain its steady performance. The data is also suggesting that hospitality management education is faring better than tourism and events management as there were slight declines in the number of enrolments for these programmes during the pandemic. The broader subject area of hospitality, leisure, sport, and tourism which exhibited a steady decline in the earlier paper[4], is now demonstrating steady growth in the number of enrolments. This suggests that hospitality management education has performed well during the pandemic and students continue to be interested in pursuing tertiary level education in hospitality.

In Europe, the pre-COVID-19 trends continued with the Netherlands and Switzerland maintaining steady growth whilst Ireland, France, and Finland experienced decline. The main changes were for Portugal and Belgium. In Portugal, enrolments are improving after a drop in 2017 whilst the numbers in Belgium are starting to show a dip after maintaining a steady performance since 2013.

This pandemic which brought about a deeper labour shortage has enabled the hospitality industry to reflect on their approach to talent management. The evidence is showing job opportunities which are more flexible and focused on the individual candidate career pathway, how they will be supported and what they can learn from the business. These shifts are positive signs for a resilient hospitality industry which is listening to what people are seeking from work. Industry champions and more entrenched collaboration with industry and academia can support with this talent pipeline.

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[4] Please refer to: Ali, A., Egan, D., Haynes, N., Holland, C., & Martin, E. (2020). *The Future of Hospitality Management Education*. UK: Council for Hospitality Management Education.

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