

HOTEL STAFF SHORTAGE - A RESULT OF LONG-TIME PROBLEMS IN PORTUGAL



Portugal's low wages and international competition for national labor are the reasons behind the hotel staff shortage that the Portuguese hospitality industry has been facing.

The Association of Portuguese Hotel Directors (ADHP) believes that several factors are responsible for the sector's labor shortage, something the association has been calling attention to for several years, and which together constitute "a perfect storm".

In statements to Lusa, the ADHP board president firstly recalls that "for several years" they have been warning about this issue, which has recently re-entered the media agenda - "hastened because of the pandemic" - and points out the reasons for the problem.

"This newfound labor shortage is a phenomenon that we have been warning for several years that would happen naturally, **both due to the economic trend and the drop in unemployment, as well as the lack of investment alternatives in tourism and foreign competitiveness with other countries,**" said the ADHP chairman to Lusa.

Initially, he recalls that low wages are "a domestic problem", common in the rest of the economy. However, in the tourism and hotel sector, it is "more visible", because they demand "greater skills from people, such as the ability to speak different languages", or "the reliability to handle money" and "some level of culture" to know how to talk to customers.

In his opinion, these requirements are not counterbalanced by "an added value to people's lives, such as a decent salary".

"Over the last few years, we have started to liberalize jobs, not only hotel management but all the others, with the abolition of Professional Licenses. This has raised some discomfort in terms of visibility, as it gives the idea that anyone can fill these positions," he explained. He also said that this situation can be extended to waiters, housekeepers, room cleaning workers, or others.

"Anyone can do anything - at the front desk you need to speak English - and then none of this is consistent with the service, with the awards we want to win, or with the image we want to communicate," he adds.

Consequently, there is a "draining of manpower to other sectors", such as private hospitals, that "nowadays have hotel-like staffed reception areas". In Lisbon, some hospitals "have 30 reception areas, with seven or eight employees". Additionally, there is competition from the international market, as is the case with cruises.

"A cruise line company was here even before the pandemic, hiring accommodation managers, chefs, housekeepers, maids, directors, and took on two thousand people in four days," he emphasized.

Furthermore, many students from tourism colleges end up opting to work abroad where they have a greater chance of being promoted, he adds.

“In higher education, especially due to A3ES regulations, students have to participate in internships outside the country; most colleges sent - apart from the pandemic - almost 70% of their students to internationalization programs, which is a good thing. But there is an opposite effect: people come into contact with large hotels. If you consider that Portugal’s average hotel doesn’t have 50 rooms, you can see that a student who finishes his degree and becomes a receptionist has relatively little hope of moving up the career ladder. In Portugal, out of 2.000 or so hotels, there are 2.000 or so managers, 2.000 or so chefs, etc. They don’t wait 30 years to get the job, so they leave”, he explained.

This is another reason why he considers that there is so much manpower diverted to hotels abroad with 500 or 600 rooms, or even to destinations like Dubai or Macau, “where there are hotels with 5000 rooms”, employing 400 chefs, for instance.

Like several hotel owners, the ADHP president also admits that, when the hotels reopened during the pandemic, there wasn’t enough manpower “to handle this sudden growth, because many workers changed professions, are receiving unemployment benefits, and don’t know when they’re going to be laid off again, as they have been”.

He recalls that there is still no foreign visitor market, whose arrivals are “almost stagnant”. Then, between market openings and some setbacks, such as the one experienced with the increase in new COVID-19 cases, there is a difficult issue to manage, he admits.

However, the month of October provided positive signs to the tourism industry, with **accommodations raising its total income to 332.8 million euros, a figure that accounts for a 169% leap in year-on-year terms, even surpassing July’s inflow** (it was the third-best month, after August and September).

According to data announced by INE, the number of foreign tourists (non-residents) increased more than threefold, to 1.13 million, and overtook national tourists (one million), profiting from the easing of travel restrictions - a development that is now more at risk with the Omicron variant.

In overnight stays, according to the INE, the domestic market contributed two million overnight stays and increased 65.4%, “continuing to surpass the year-on-year levels of 2019 (+28.2%)”. Meanwhile, non-resident overnight stays amounted to 3.5 million, “the highest value since October 2019, having tripled compared to October 2020 (+216.6%), but dropped 26.7% compared to October 2019.”

In a ten-month analysis, the downturn versus 2019 (a year of new records in the sector) is widespread, with Lisbon and the North region leading the biggest differences in total income: -69%, equivalent to 823 million, in the first case; and -50%, or 281 million, in the second.

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