



## Precarious work in the hospitality sector and ways to reduce its impact

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### Tourism and employment in the European Union (EU)

The EU is a major tourism destination, with six of its Member States among the world's top 10 destinations. Pre-pandemic, the tourism sector was the third largest economic activity in the EU, and employed over 12.5 million people, of which almost 10 million worked in hospitality (7.4m in food and beverage services and 2.5m in accommodation).

#### Facts

- Touristic regions usually show lower unemployment rates.
- Jobs in tourism offer easy opportunities to enter the job market, creating jobs for economically less advantaged socio-demographic groups or regions.
- Tourism is a major employer of women, young people (aged 15-24), people with less formal education, and immigrants.
- Tourism offers more part-time employment and less stable jobs.
- Hourly earnings and labor costs in tourism and hospitality are below the average.

### Precarious work conditions in hospitality

The hospitality sector is particularly sensitive to seasonal fluctuations, shifts in consumer preferences, and changing economic conditions in which people spend less on tourism and leisure activities. These factors impact the viability of hospitality businesses and the stability of employment. The main precarious aspects of hospitality jobs are:

- **Job insecurity.** Hospitality work is typically cyclical and seasonal with periods of low demand, reduced working time, periods of unemployment, layoffs, or the need to find alternative employment during the low season. Conditions such as illegal or undeclared work, temporary contracts, outsourcing, and low-levels of unionization typical of hospitality reduce employee protection and increase job insecurity. Lack of job security can create anxiety and uncertainty for hospitality employees.
- **Low wages.** Hospitality employees usually get low compensation (near the legal minimum wage) with minimal benefit policies. Workers in bars and restaurants may rely on customer tips to achieve adequate (but unpredictable) income. Hotel workers in entry-level positions are paid low wages. Low wages make it challenging to cover basic living costs and can lead to financial insecurity.

- **Exposure to health and safety risks.** Hospitality workers (waiting staff, cooks, hotel housekeepers, maintenance technicians) are exposed to hazards such as burns, cuts, and cleaning chemicals which can lead to injuries and health issues. Many hospitality workers are exposed to physically demanding conditions, i.e., moving heavy loads, repetitive movements, standing long hours, exposure to noise and tobacco smoke, working in hot and crowded spaces. These conditions lead to physical strain, fatigue, and increased risk of injuries and accidents.
- **Long and irregular working hours.** Hospitality employees often deal with irregular and unpredictable work schedules, and work long and unsocial hours (late evenings, weekends, holidays). This disrupts their personal plans, makes their income unpredictable, potentially leading to physical and mental exhaustion.
- **Fast-paced and intensive work demands.** Many employees face work overload and time pressure to reduce customers' waiting times for a meal, hotel check-in, or a clean room. High demands lead to job stress, physical and emotional exhaustion, and negatively affect work-life balance.
- **Job content and status.** Many hospitality workers perform routine-based and monotonous tasks. Job autonomy and career prospects in the sector are limited. These characteristics lead workers to doubt the importance of their job, perceive low job status, and lower job satisfaction. For instance, housekeepers perceive their job as invisible, undervalued, and unrecognized.
- **Emotional demands.** Hospitality workers are expected to be friendly and always correct in their interaction with customers. Contact with customers involves emotion work and emotional regulation, and sometimes the demand to handle angry customers and manage emotionally disturbing situations. Emotion work may be emotionally exhausting and lead long-term to burnout.
- **Aggressive behavior.** Hospitality workers may be subject of verbal abuse and humiliating behaviors by customers, colleagues, or supervisors. Additionally, unwanted sexual attention and harassment towards female bar attendants and hotel housekeepers is more common. Customer satisfaction as a central value in hospitality makes it difficult for workers to set clear limits to customers' negative behavior.

### Differences across European countries

European countries differ in the working conditions and job satisfaction of employees in hospitality (Díaz-Carrión et al., 2020). Despite the existence of supranational

European regulations, factors such as national labor regulations and context (country's approach to the welfare state, labor flexibility, job protection, unemployment rate, degree of unionization, etc.) and organizational policies (decisions regarding minimum wages, training and development, working hours, etc.) explain the similarities and differences in work conditions across Europe. Three models of hospitality work conditions and employee satisfaction have been identified.

1. **Mediterranean countries** (i.e. Greece and Spain) show the lowest job satisfaction and worst work conditions (in particular, highest work intensity of work together with lowest salaries, skills, prospects, and work time quality), although they experience the highest social support at work.
2. **Scandinavian countries and France** show the highest job satisfaction and best work conditions (in particular, earnings, skills and discretion, prospects, and work time quality).
3. **Western Europe and Atlantic countries** form an intermediate group with intermediate work conditions and job satisfaction.

Homogenizing working conditions across Europe in line with best practice would benefit hospitality workers, organizations, and society.

### Impacts of working conditions in hospitality

Research evidence has linked work conditions in hospitality to relevant individual, organizational, and social consequences.

**Physical health.** Hospitality workers experience overall fatigue, chronic pain, musculoskeletal injuries, and anxiety. High physical demands sustained over time affects physical health long-term and leads to reduced work ability or even to self-prescribed medication.

**Poor psychological well-being, job stress, and low job satisfaction** compared to other service workers. Mainly this is due to intensive work demands and time-pressure, lack of work-life balance, poor physical working conditions and pains, lack of empowerment, low recognition and career prospects, humiliating behaviors, and low pay.

**Organizational consequences.** Precarious work conditions lead to job stress, lower job satisfaction and increased burnout. These job experiences affect the behavior of hospitality employees and their interactions with customers, reducing critical outcomes such as service quality, customer satisfaction and loyalty. Moreover, work conditions in hospitality hinders human capital attraction and retention of employees in the

sector. The high turnover among hospitality staff increases organizational costs related to recruitment, selection, and training.

**Social consequences.** Stress and exhaustion affect not only physical health, but also mental and social health. Working long unsocial hours and the intense work demands have a large impact on work-life balance. A reduction in the quantity and quality of time that hospitality workers spend with their families and the related lack of parental supervision may have large social impacts on their children. Tourism-dependent regions experience larger drug and alcohol abuse issues, early school drop-out, and other negative social impacts.

### Recommendations to reduce the impact of precarious work in hospitality

Hospitality employment is confronted with important challenges such as sustainability issues, seasonal fluctuations, economic and geopolitical crises, the introduction of automated systems and Artificial Intelligence-powered robots, a high turnover with workers moving to more stable work sectors, and staff shortages. In this context, attracting and keeping a healthy, satisfied, and talented workforce is of paramount importance for the sustainability of the hospitality sector. At the institutional level, development and compliance with regulations is critical to protect employees. This should include enforcing compliance with European Union supranational regulations such as the Working Time Directive (limiting hours worked per week, mandatory rest breaks), Health and Safety Regulations, Anti-Discrimination Laws etc., and developing national regulations and policies aiming to achieve appropriate levels of labor flexibility and job protection, working times, minimum wages, access to health care, etc. At the organizational level, Human Resource practices can be designed to reduce precarity. For instance:

- **Employment conditions.** Promote stable contracts, provide decent salaries, increase job security and quality.
- **Objective work conditions.** Reduce workload and time-pressure setting reasonable standards, adjust staffing to business demand, enhance work-life balance, guarantee health and safety.
- **Psychosocial work conditions.** Redesign and enrich jobs with meaning, autonomy, and participation. Implement performance assessment, recognition, and career development programs. Improve leadership skills and enhance social support by leaders and peers. Develop a system for upskilling and reskilling hospitality employees, provide training in technical but also soft skills such as communication, teamwork, problem-solving, and adaptability.

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