

Hospitality Under Pressure:

How to keep your
best people when
budgets are tight

Rising costs.

Frequent sick days.

High turnover.



A close-up photograph of a barista's hands. The barista is pouring milk from a metal pitcher into a clear glass filled with coffee. The milk is being poured in a way that creates a heart-shaped latte art design on the surface of the coffee. The barista's hands are visible, and they are holding the glass steady. The background is dark and out of focus, showing some kitchen equipment.

If you're running a hospitality business, you're faced with the need to do more with less, whilst retaining high service levels.

This guide is for operators who need practical, cost-effective ways to keep employees productive and engaged, and customers happy. Including real, everyday challenges, from reducing turnover to battling burnout and fixing communication, this guide demonstrates how modern, mobile tools can help you build a stronger, more loyal team.

With people retention in hospitality a critical success factor, you will read how to improve recognition, build skills whilst on the go, close communication gaps and give employees a voice.

Why retention matters more than ever in a cost squeezed industry

The UK hospitality sector, from pubs and cafés to hotels and quick-service restaurants, is under intense pressure. Yes, recruitment is still a challenge, but the bigger story right now is the financial squeeze. National Insurance hikes, rising food and energy costs, and changes to visa rules have made it harder for operators to afford the employees they need, let alone keep them happy and engaged.

In this climate, every hire matters. But tight budgets and tough trading conditions mean hospitality leaders can't just throw money at the problem. The focus has shifted to retention, making roles more attractive, and squeezing more value from every shift worked. And retention isn't just an HR priority, it's a survival strategy. Every resignation that's avoided, every absence reduced, and every process made more efficient has a direct impact on your bottom line.

1. Employee gaps intensify pressure on existing teams

As of March 2025, there were 132,000 open hospitality roles – almost half as many as before the pandemic. But with wage bills climbing and recruitment costs rising,

not every role can be filled straight away. Operators are turning to flexible contracts, cross-training people to cover multiple positions, and relying on experienced employees as mentors, but without long-term talent pipelines, shortages will persist and pressure on existing teams will grow.

For the industry that means higher overtime costs, greater risk of service failures, and more customers leaving unhappy. Unfilled roles don't just stress teams, they quietly drain revenue.

Retaining an employee can **save up to 10% of an employee's annual salary** in recruitment and training costs

Source

2. Burnout leads to high absence and turnover rates

Burnout isn't just a bad week; it's the baseline for many hospitality teams. Four in ten frontline employees feel burned out often or every day, and over half face workplace stress at least once a month. In an industry where irregular hours, seasonal peaks, and emotional labour are part of the job, this stress quickly turns into a costly cycle of absenteeism and high workforce turnover.



Companies with high engagement see **attrition drop by 72%** and **absenteeism fall by 41%**

Source

The business cost of this is as alarming as the human toll. Disengaged employees are 81% more likely to call in sick, and teams with low engagement see turnover rates 43% higher than their peers. Replacing a single hospitality employee can cost up to **10% of their annual salary** when you factor in recruitment, training, and lost productivity.

With every resignation, the impact is felt on an already tight bottom line. On top of that, underperforming employees deliver up to 18% lower sales and make 64% more mistakes.

Ultimately, this cycle of disengagement and churn means operators lose money twice: first from the constant expense of recruiting and training, and again from missed sales, wasted time, and a damaged guest experience.

For this reason, tackling burnout is one of the fastest ways to protect both people and profits.

3. Poor communication slows service and increases mistakes

Speed and consistency are everything in hospitality, yet too many teams still rely on fragmented tools like paper rotas, noticeboards, or WhatsApp groups. This patchwork approach slows responses, causes missed updates, and erodes trust. In fact, only 1% of dissatisfied employees believe their company communicates well.

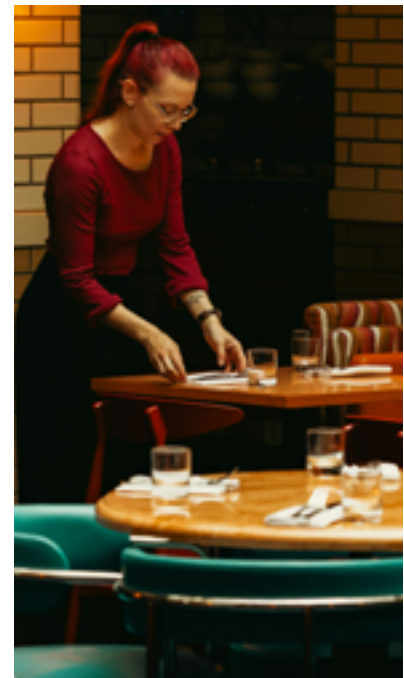
Poor communication also costs money. Companies with weak internal comms see higher turnover, more service mistakes, and slower operations, all of which hit already tight margins.

For every missed update or miscommunicated rota, there's a knock-on cost: wasted stock, longer wait times, and disappointed customers who don't return. Strong comms aren't just about smoother shifts, they're about keeping revenue flowing.

4. Inadequate training threatens customer satisfaction

In hospitality, where service quality can turn on a single interaction, skills gaps hit harder than most leaders realise. Less than half of the frontline workforce feel properly trained for their role, and nine in ten managers miss targets each year because of skill shortages. Career paths are often unclear, with only 37% of employees having access to ongoing development. That's not just frustrating, it's a flight risk. Thirty percent of workers say they would likely leave because of a lack of training and career opportunities.

The problem starts early. Half of Gen Z frontline employees say they didn't get enough onboarding or training when they started, and more than a quarter admit they frequently struggle at work because of it. In a sector that relies on speed, precision and consistency – especially during seasonal peaks – training that's



outdated, inconsistent, or hard to access can quickly erode both customer satisfaction and employee loyalty.

For the business, poor training means more errors, lower service quality, and fewer repeat customers. By contrast, operators who digitise training can reduce onboarding time by up to 50% and cut manual effort by 60-70%, delivering faster ROI and a more consistent guest experience.

The digital fix: Run smoother, smarter shifts

Hospitality runs on people, but people need the right tools to do their best work. That's where technology comes in.

Modern hospitality leaders – like those at Ben & Jerry's and McDonald's – are using mobile-first employee experience platforms to streamline operations, centralise communication, and keep their teams engaged, while gaining efficiency. Here's how an employee experience platform designed for hospitality teams can help.

Make recognition part of the Job

Recognition has a powerful multiplier effect on morale and retention. Employees who feel valued are 8.5 times more likely to be satisfied at work. Peer-to-peer shout-outs and visible appreciation in daily workflows build loyalty and encourage people to go the extra mile.

And this isn't just about happier teams – it's about stronger business results. Satisfied employees deliver better service, which means happier guests, repeat bookings, and higher spend.



Gallup links engaged employees to **18% higher sales and 64% fewer mistakes**, while BCG reports that highly engaged teams can reduce attrition by up to **72%**.

For hospitality operators under cost pressure, that translates directly into more loyal customers, steadier revenue, and healthier margins.



SUCCESS STORY

Virgin Media O2's "Shout" programme lets colleagues recognise each other in-app – resulting in over 13,000 award nominations.

Key benefit: Fosters a positive work culture and reinforces values

- Employees nominate peers for awards
- Shouts are posted to recognition group
- Employees can react and comment
- CEO and leaders highlight Shouts in monthly all-hands

Fast, consistent training **improves retention, reduces costly mistakes, and keeps customer loyalty high.**

Build skills on the go

Hospitality training is often inconsistent and outdated and takes manager/peer time, which causes inefficiencies and repetition, which could be automated. Mobile-friendly, bite-sized training modules let seasonal hires get up to speed fast and reduce reliance on other team members and managers for standard tasks. Hosting all training materials in one place, from manuals to video tutorials, makes onboarding more effective and accessible.

For example, a global fast-food chain rolled out a digital onboarding assistant that guides new hires through their first 3 months on the job. Training and information are delivered in small, timed modules: from how to use core apps, to reminders about team check-ins, to company culture and charity initiatives. Automated triggers send the right content at the right time, while surveys and nudges keep employees engaged and on track. The result? Every new

starter receives a consistent, structured onboarding experience without adding extra workload for managers, ensuring teams are productive and confident from day one.

Give employees more flexibility – and a say

For employers, especially under cost pressure, this flexibility isn't a 'nice-to-have', it's a way to protect revenue. When employees can manage schedules easily, you reduce no-shows and last-minute rota chaos that lead to under-resourced shifts and poor service. Happier teams also stay longer: engaged employees are far less likely to quit, saving operators thousands in recruitment and training costs. And the payoff shows up in the front of house too: stable, motivated teams deliver smoother service, which builds guest loyalty and repeat business. In short, giving employees more control helps cut hidden costs and boosts margins when every percentage point counts.



SUCCESS STORY

The employee app for McDonald's Germany gives 65,000 staff access to news, training, polls, and chat, and now over 90% take part in engagement surveys.

Key benefit: connects staff to key news, information, and tools

- Single direct channel to employees
- Digital access to shift schedules via Reflexis integration
- Digital access to training videos
- Privacy and data strictly protected in monthly all-hands



Businesses with strong internal comms are **3.2x more likely to see motivated employees** and **13.9x more likely to achieve high job satisfaction**

Source



SUCCESS STORY

Ben & Jerry's ANZ replaced scattered systems and top-down comms with one branded hub, giving scoopers direct updates from HQ. Information flows instantly across 50+ stores, actively connecting employees, sharing ideas and wins across locations.

Key Benefit: Employees have instant access to everything – rosters, training, policies and updates

- Simple and intuitive branded app with no training required
- Smoother processes, clearer workflows, stronger engagement
- Operations run more smoothly and store managers save time

Close communication gaps

A mobile-first employee app can put an end to operational chaos. Real-time, targeted updates delivered straight to every device keep the whole team aligned, with no more scattered conversations and paper notices. With everything in one place, mistakes decrease, shift changes can be reacted to, and customer feedback can be shared.

Streamline day-to-day operations

When budgets are tight, every minute and every mistake costs you. Manual processes – from paper checklists and incident reports to ordering supplies and tracking compliance – are slow, error-prone, and a major drain on management time. A digital platform can automate up to **40% of these manual tasks**, freeing up your team to focus on serving customers instead of handling paperwork. By digitising workflows, you create a central hub that replaces multiple fragmented tools, improving efficiency and accountability.

The impact on your bottom line:

• Saves time and money

Digitising tasks like ordering or reporting delivery mistakes significantly reduces administrative overhead. Managers can get an at-a-glance overview of tasks, ensuring nothing falls through the cracks and saving hours each week that can be redirected to coaching or improving customer service.

• Reduces errors and risk

When procedures are automated and centralised, it ensures they're always followed. This leads to fewer service mistakes, reduced waste, and better compliance, protecting your business from costly errors.

• Ensures accountability

With a digital system, you have real-time visibility into task completion and employee availability. This allows managers to quickly address workforce gaps and operational inefficiencies, preventing issues before they impact service quality.

Engagement isn't a nice-to-have – it's a lifeline

For hospitality leaders, engagement is not an optional extra but a business critical lever that drives service quality, customer loyalty, and operational stability.

Engaged employees stay longer, perform better, and deliver better guest experiences. Disengaged employees? They miss more shifts, make more mistakes, and leave sooner, putting even more pressure on your team, your service, and your bottom line.

And the best part?

You don't need to overhaul your business or your budget to get there. The first step is giving teams the tools to connect, communicate, and grow, wherever they work.



72% decrease in attrition

3.2 x increase in motivation

13.9 x increase in job satisfaction

46% decrease in stress

30% drop in job-seeking behaviour

41% fewer sick days

Source

AI that's built for now, not someday

AI isn't just about robots or technology from the distant future. It is already **transforming frontline work, making life easier for employees and managers alike**. In the hospitality industry, the real power of AI lies in simplifying, **speeding up and humanising work**.



Rather than juggling multiple apps, paper checklists and constant updates, frontline teams can interact with AI in the same way they interact socially by asking questions in plain language and receiving instant, reliable answers.

AI can support employees with:

- **Intelligent communication**
Employees can quickly find policies, protocols or updates without having to chase managers.

- **Automated workflows**

Routine tasks such as reporting issues, logging incidents or requesting leave take seconds rather than hours.

- **Personalised learning**

Training adapts to individual needs, delivering bitesize modules that develop skills in real time.

- **Real-time support**

Whether you need safety guidance or customer service tips, AI provides the right information at the right time.

The impact goes beyond efficiency. AI can reduce admin overload, cut errors and give employees more autonomy, all of which improve retention and service quality.

For hospitality leaders under pressure, this isn't just a distant promise. It's a practical way to safeguard profit margins, build stronger teams and foster workplaces where employees feel supported, valued and empowered.

Your Action Checklist

- ✓ **Spot your gaps:** Run quick pulse surveys to check morale, recognition, and comms.
- ✓ **Simplify comms:** Exchange scattered tools for a central, mobile hub.
- ✓ **Make praise routine:** Don't save recognition for annual awards.
- ✓ **Listen actively:** Give employees an easy, safe way to share ideas and concerns.
- ✓ **Invest in skills:** Offer flexible onboarding and continuous learning.
- ✓ **Streamline processes:** Digitise repetitive tasks like shift swaps, payslip delivery, and policy updates to free up time for service.



Partnering for digital inclusion and innovation

Hospitality has unique communication challenges: most employees don't have corporate email addresses. Many don't sit at desks. And many are seasonal, casual, or part-time workers. That's why Flip and Work Networks have teamed up – to help you overcome those barriers with both the **people** and the **platform** to succeed.



With decades of experience in frontline engagement, Work Networks help HR, Comms and IT teams choose, launch and embed the right platform to connect and engage employees, wherever they work. Their people-first approach has helped organisations like **Danone**, **AstraZeneca** and the **NHS** drive adoption and cultural change across complex workforces.

The end goal? A better workplace for everyone with:

- Higher employee engagement
- Improved onboarding and retention processes
- Connected frontline workforces
- Stronger internal communications.

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Flip is the AI-powered employee experience platform designed for the frontline. Our customers, from Ben & Jerry's to McDonald's Germany, use Flip to digitise operations, streamline comms, and boost retention at scale.

Together, we help you:

- **Reach everyone:** Deliver instant news, resources, and support to every employee, wherever they work
- **Centralise and simplify communication:** Create a single digital space that's engaging and intuitive – with your own branding
- **Harness AI:** Automate workflows, gather and act on feedback faster, and remove admin bottlenecks so staff can focus on guests

Franchised or company-run – whatever your business model, we'll help you build the resilient, high-performing teams hospitality needs to thrive, now and into the future.

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