

Gulf Research Analysis LLC

Manpower Needs of the Hotel Sector Study Results – Key Findings

Background

- Tourism has been chosen as a strategy, not only for growth and diversification, but also because it is labour intensive and creates many jobs
- We wanted to identify and understand the key manpower issues facing the sector and what can be done to overcome these issues, specifically from the Omani manpower perspective
- Start with a small scale explorative research study to identify the manpower issues facing 3*-5* hotels, which could be expanded later to include the whole tourism sector and quantified

Focus on:

- What are the manpower needs of the hotel sector?
- What are hotels' views on the current Omanization rates?
- What would help hotels hire more Omanis?

Approach

- We spoke to 20 3*-5* hotels, across Oman (Muscat, Batinah, Dakhlyia, Sharqiya, Dhofar, Musandam, Wusta)
- We spoke to either the General Manager or the HR Manager, both Omani and expatriates, male and female, from local and international hotels
- We also interviewed Oman's two tourism education institutions - National Hospitality Institute and Oman Tourism College - as well as gathering some views from current Omani and ex hotel employees, particularly females
- Data collection took place over 5 weeks in early 2016
- Data was analysed taking into account regional, nationality and classification differences

Findings

Hotel Sector Snapshot

Key statistics:

- In terms of Omanization the hotels interviewed achieved a rate of 9-55%. Rates were higher in Muscat and lower in more rural areas
- No hotel achieved their Omanization rate by 30%
- Omani female employment in the sector is low. Many hotels reported to having 10 or fewer Omani female staff while some had none. Again, Omani female participation drops when outside of Muscat
- In 2015 there were 318 hotels in Oman with 11,054 employees and an Omanization rate of 29.3% for the sector.

Hotel Classification	Target Omanization Rate
5*	85%
4*	85%
3*	60%

We can see that Omani manpower in the sector is low, especially when compared to target rates, and Omani female participation is almost non-existent.

Current Manpower Situation

Nearly all of the hotels interviewed stated that they face staff shortages, especially in their most labour intensive departments:

Occupational Shortages

- Housekeeping
- Food & Beverage
- Reception
- Maintenance



Housekeeping and F&B account for at least 50% of hotel manpower and significantly more in 5*/luxury hotels. Using 2015 data this means some 5,500 hotel employees work in housekeeping and F&B

- Shortages are in low skilled occupations
- A few hotels mentioned that they found it difficult to hire for more specialised roles such as an Accountant but these types of roles are very few in number
- Turnover among non-management Omani staff is high, especially in these occupations

Current Manpower Situation

Why does this shortage exist? Hotels say:

- Cannot attract Omanis to the sector, especially roles that are front line, service facing roles
- Have no problem attracting foreign manpower but cannot get visas for them

Hotels are frustrated with this situation. Their experience tells them that Omanis do not want to work in the sector, and because of their low Omanization rates, they are unable to obtain visas for foreign manpower.

Turnover is also a major issue for hotels. They are frustrated that they take the time to train new employees only for them to leave and they have to start again.

Why Do Omanis Not Want To Work In The Sector?

We asked hotels what they think the reasons are for Omanis not wanting to work in the sector:

- Salary, working hours and conditions
- Waiting for government jobs
- Job expectations
- Service job image in society
- Religious issues – particularly for Omani women
- Treatment at work
- Nature of work

Performance – all have some hard working, dedicated and professional Omanis, especially in higher positions, but these factors drive poor performance among Omanis.

Hotels are also frustrated with current labour laws, unable to fire poor performing Omani employees under existing laws or at least the interpretation and application of labour laws.



“4 girls turned the job down because of the uniform. They said the top was too short”
5 star hotel

“In a rural area. Asked friends what they thought of the local hotel....”That’s where the drunks go”
Educational Institute

Discussing an Omani hired for a housekeeping position....”After the first day he complained his back hurt....He left on the third day”
3 star hotel

Skills

What skills are hotels looking for in employees? In terms of **foreign manpower**, they say they always **hire trained and experienced candidates**. For Omanis, they recognise that many Omanis do not have relevant work experience, so are happy to provide all training needed for the employee to do their job but there are certain basic skills they require:

- English skills – verbal the most important
- Good work ethic:
 - Shows up on time or for a shift
 - Does not take lots of time off work, especially without notice
 - Flexible in working hours and or days
 - Accepts working hours
 - Willing to learn
 - Committed
 - Proactive
- Values time
- Customer courtesy
- Sense of urgency
- Problem solver – can think quickly and solve problems
- Friendly – smile at guests
- Passion for working with people
- Presentable appearance – clean and neat
- Helpful

Recruitment, Training & Career

We asked hotels' what their approach to recruitment, training and career development.

- Recruitment routes - adverts in newspapers, internet, word of mouth, recommend a friend, career fairs, job seeker database and Ministry of Manpower vocational training programme. Hotels report **little success with these methods**
- Training is provided for new staff, with the amount depending on the position and experience of the candidate. **Training from scratch for no-experience candidates**. Larger hotels and international chains have formal training programmes and policies while small hotels tend to provide on-the job training
- All offer **scope for career development** and make this known to their Omani staff. Larger hotels have more formal progression plans with the option to work and train abroad. However, anecdotal evidence from Omani current and ex-hotel employees suggest that **career progression is not always practised** despite promises

Omanization Rates

- Hotels know that they cannot achieve the target Omanization rates
- They think they can do better but not achieve current targets
- Hotels suggested a **new target of 5-20% higher than their current rate**

Why can hotels not achieve this rate:

- Cannot find Omanis willing to work in the field, especially the roles where the majority of jobs fall – even harder outside of Muscat and in rural areas
- High turnover – rate can swing by as much as 10%
- **Not enough Omanis being trained in the field – last year 7 new 4-5* were supposed to open. If on average they need 400 staff per hotel, that is a total of 2,800. There probably fewer than 1,000 in tourism related vocation courses**



“Forget it. Not going to happen”
5 star hotel

“Start fresh at 30% and increase by 1% each year”
5 star hotel

“I wish I could employ 100% Omanis but it is not practical”
5 star hotel

Willingness to Hire Omanis

- Despite the difficulty finding Omanis to work in the sector hotels say they **support Omanization** and that when visitors visit Oman they want to see Omanis, interact with them and experience **Omani hospitality**, so it is important for Omanis to work in hotels
- In terms of mechanisms to hire Omanis over foreign manpower, all hotels said they practiced a policy of hiring Omanis over foreign manpower but were reluctant to go into details and **current visa policies made this the case anyway**
- Nearly all hotels said that if they were to choose between an Omani and foreign manpower they would **choose the Omani, as long as they wanted to work at the hotel and were committed**, and would provide the relevant training for the Omani to do their job
- Despite the lack of discussion on the subject, it seems that hotels have somewhat given up on the idea of recruiting Omanis before expatriates or at least **lost enthusiasm**. High turnover after resources are used for training and issues with work ethic and performance seems to have stopped hotels trying as hard as they did before

Summary

What are the manpower needs of the hotel sector?

- Majority of the jobs in hotels are **low skilled and front line service based**
- Hotels find it **difficult to hire and retain Omani staff**
- Problem is **worse outside of Muscat**, especially in rural areas
- Omanis **dislike working in hotels** – job, image, society, nature of work
- Hotels want staff who want to work in hotel and have **basic skills** – timeliness, worth ethic etc
- Performance issues
- **Cannot achieve target Omanization rates**
- Despite this hotels want, or feel they must, hire Omanis – **there are opportunities** for Omanis
- Scope for **career development**

Summary

Tourism industries are largely labour intensive and provide jobs for many people. They include well trained professionals, but also a large number of workers with difficulties to find a job elsewhere, such as newcomers to the labour market (young people and migrants), women with family responsibilities who can only work part time, and workers with little qualification in general. Tourism provides working people with income and experience, and therefore contributes to their social inclusion and personal development.

On the other hand, the tourism sector suffers from shortage of workers with required minimum qualifications or skills. Because employment and working conditions often do not meet their expectations, people working in tourism tend to look for better jobs elsewhere and may, at the first opportunity, leave to take up more decent work elsewhere.

Employment and Decent Work in Tourism — ILO-UNWTO Joint Project

<http://statistics.unwto.org/en/project/employment-and-decent-work-tourism-ilo-unwto-joint-project>

Help Hire More Omanis

If an Omani wants a job with them and are willing to work and learn hotels will employ them, even if they do not have a vacant position, so what can be done to help hotels hire more Omanis?

- Marketing campaign to [alter the perception](#) of tourism and hotel work among Omani youth and wider society
- Make it easier to punish poor performance – [lower costs when taking a chance on an employee](#)
- Better training in schools – especially [English language skills, discipline and work ethic](#)
- Not having to compete with government or other private sector companies for good staff
- Subsidised wages
- Hiring vocation course students [part time](#) – part time workers count towards Omanization
- Ensuring more [community involvement](#) in hotel development outside of Muscat to reduce negative images

Next Steps

- What is the **other side of the story**? Employees, ex-employees and Omani youth
- Other private sector companies attract Omani workers to service based roles, including females, **Lulu, Carrefour**, etc – what is working there that can be reproduced? What about outside of Oman?
- **Campaigns to change the perception** of working in the hotel sector, and the wider tourism industry
- More **flexible** approach to Omanization
- **Standardisation and greater information** on processes, rules and regulations surrounding Omanization, foreign labour visas and labour laws
- **Greater cooperation** between hotels and tourism education institutes
- Help hotels **understand** their Omani employees

Thank You