

# WEEKLY BRIEFING REPORT

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**Peter**  
**Backman.**





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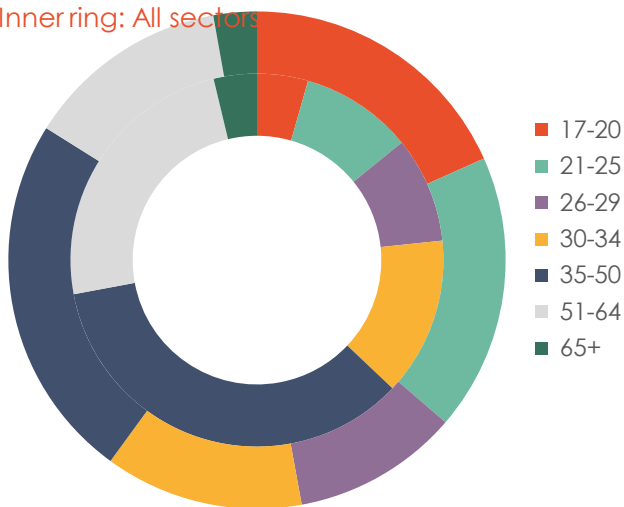
### The numbers

There is a well reported shortfall in the numbers of people working in hospitality. What have the 17-21 year olds, specifically, got to do with this shortfall?

This youngest cohort of workers is normally overwhelmingly more likely to work in hospitality than the total workforce. In 2019, a good stand-in for a 'normal' year, the ONS identified that 21.4% of 17-21 year olds, who were working, worked in 'accommodation and food services' (let's call it hospitality). That compares with an overall figure of just 5.2% of all ages who worked in hospitality.

#### Age groups in employment 2019

Outer ring : Accommodation and Foodservice  
Inner ring: All sectors



Source: ONS

Fast forward to 2022 and consider what's happened to the nearly 300,000 people who were in the 17-21 age cohort in 2019. They are now 20 to 23 years old – and almost all of this cohort has been replaced by a new one of people who were aged 14-17 in 2019.

It's to these new people we should be looking to fill the shoes of the 2019 cohort of 17-21 year olds. Members of this new cohort were at school in 2019. Covid disrupted their schooling, and their social lives. Maybe it changed their expectations to the extent that they may no longer be as aligned, as were former cohorts, with how the hospitality sector operates. For example, members of the new cohort seem keen to work to a flexible timetable, doing what

they want when they want to, in spaces where socialising is important but not something to be carried out beyond one's immediate circle (perhaps, a useful model is to think of a WeWork environment). This way of working is difficult to reconcile with the business of hospitality.

This is no criticism of young people; it's just how it is. But it means that the 17-21 year old cohort that is to be filled by the post-covid generation (the 14-17 year olds in 2019) that may not be in tune with hospitality. And so, perhaps they are not fully equipped to fill the shoes occupied, in 2019, by their older brothers and sisters.

Is this the real reason why there is an employment shortfall in the hospitality sector?

## My insight

Paul Theroux, the travel writer, wrote in his book, *Dark Star Safari: Overland from Cairo to Cape Town*: 'Tipping confounds me because it is not a reward but a travel tax, one of the many, one of the more insulting'.

He goes on to explain why he thinks this way: 'No one is spared. It does not matter that you are paying thousands to stay in the presidential suite in the best hotel: the uniformed man seeing you to the elevator, inquiring about your trip, giving you a weather report, and carrying your bags to the suite expects money for this unasked-for attention. Out front, the doorman, gasconading in gold braid, wants a tip for snatching open a cab door, the bartender wants a proportion of your bill, so does the waiter, and chambermaids sometimes leave unambiguous messages, with an accompanying envelope, demanding cash.'

He clearly has something against tipping. But do we? It seems to me that the approach to tipping in this country is beset by uncertainty: Should I tip? How much? What will the tippee think of me? What happens with the 'service charge'? Is it a tip?

So we conclude, on the basis of all those uncertainties, maybe we shouldn't do it.

It's worth noting that our views on tipping are not universal. In some countries, tips are not given – in some cases it's illegal. Meanwhile in the US, tipping in a restaurant is so much a part of the cost of eating out that potential diners automatically add the tip – 15% 20% - to the likely price on the menu - even before they set out for their meal.

Perhaps, rather than being a 'given', tipping should revert to its former purpose: rewarding good service appropriately. Unfortunately, in these egalitarian times, that may be felt to be too patronising.

But whatever your views on that, in the UK and even more in the US, tipping is baked into the employee payment structure of the restaurant industry (probably more so than any other industry, except the cruise sector, and hairdressing). Amongst other things, tipping is a mechanism for the restaurant operator to keep the headline 'menu price' affordable.

From the perspective of the employee, many of them might well conclude that working in a restaurant is not viable without tips. Tips can be the difference between working in a restaurant and working somewhere else. That is particularly so today, at this time of severely stretched finances, when tips are more crucial than ever for helping people who work in restaurants to be able to continue to afford to do so - tipping may be necessary to keep the industry running.

But customers, too, are financially stretched and may conclude that the cost of tipping is too high – and therefore they may leave no tip, a reduced tip, or even decide not to eat out.

So, reverting to an earlier point, why not reward good service – when it is over and above what can reasonably be expected? If we don't, we may end up agreeing with Paul Theroux when he concluded his piece with this: 'It is bad enough that people expect something extra for just doing their jobs; it is an even more dismal thought that every smile has a price.' So, smile because you want to – and maybe you will be rewarded for doing so.

The rest of this Weekly Briefing Report provides a summary of the news in the past week:

## News in the past week

### Pubs

- Marston's LfL managed sales rose 5.0% in the two months to end November; sales are now -1% of 2019
- Mitchells & Butlers LfL sales rose 6.5% in the ten weeks to early December

### Suppliers

- Greene King brewery workers on strike for 5 days

### Around the World

- SSP Group sales rose 162.0% in the year to end September versus 2021, -22% below 2019

### Delivery Offers in the Week

- Deliveroo: Last chance for 3 months of free delivery
- Uber Eats: 35% off your next 5 orders
- Uber Eats: Get 40% off your next 5 orders