

THE COST OF TRAINING FOR HOSPITALITY BUSINESSES

Ultimate guide for hospitality businesses on all things training

Introduction	3
What Happens When Businesses Fail to Train Staff?	4
High Staff Turnover.....	4
Decreased Profits	5
What Are the Benefits of Training Staff Well?	6
Staff Retention	6
Demonstrate Compliance	7
How Much Does Hospitality Training Cost?	8
Instructor-led Training.....	8
Online Training	9
Single Licence Online Courses.....	10
Learning Management Systems	10
Summary.....	11

Introduction

Employee training can be a sticking point for many businesses. Failing to provide adequate training can negatively affect everything from employee retention to company profits. However, training can be hugely expensive, and many hospitality businesses are struggling to recover after two years of closures and uncertainty. So how can we balance the need for effective training with the need to reduce costs?

In this eBook, you'll learn some of the most important reasons to invest in employee training and how it can help your business to succeed and maximise profits. We'll also look at several different training options, so you can compare costs and find the right solution for you.

What Happens When Businesses Fail to Train Staff?

CONS OF NOT TRAINING



High staff turnover



Decreased profits

Most managers have a pretty good idea of what it costs to train employees, but very little understanding of the costs of *failing* to train employees. Many see employee training as an expense, rather than an investment in their businesses' continued success.

Failing to provide adequate onboarding training or ongoing training can have a myriad of negative effects on hospitality businesses.

High Staff Turnover

The hospitality sector has an average turnover rate of [30%](#), which is double the UK average. Employee turnover refers to the number of staff who leave a business during a specific period of time, including those who resign, retire, or are made redundant. Employee retention describes how well businesses can keep their staff for a longer period of time.

Some of this turnover is to be expected from things like seasonal work and student employees. However, a lack of training and opportunities for career progression can be a huge barrier to staff retention. According to [a survey by PwC](#), opportunities for career progression and excellent training programmes are two of the biggest things that millennials look for in an organisation.

Research suggests that investing in employee training can improve business performance and lower staff turnover rate. And the figures don't lie – according to [2020 government figures](#), the average UK employer spends about £1530 on training per employee, [compared to an average £3000 and 28 days to hire a new employee](#). So companies who build a comprehensive training programme are more likely to save money on hiring costs. Training programmes should cover both the onboarding of new staff and upskilling existing workers.

Decreased Profits

Failing to provide staff training, or providing poor quality training, can end up costing businesses more than just hiring costs. Staff who are inexperienced or poorly trained are more likely to make mistakes, which can cause profits to take a hit through things like stock wastage and compensating customers for mistakes. In addition, employees who receive little to no training are more likely to report decreased job satisfaction, which may mean they don't stick around for too long, or fail to give the job their best efforts.

What Are the Benefits of Training Staff Well?

PROS OF TRAINING



Staff retention



Demonstrate compliance

We've covered the consequences of inadequate staff training, so let's now look at some of the benefits you can expect from providing comprehensive training.

Investing in people and their skills will lead to an increase in morale and employee satisfaction, which will have

a knock-on effect on customer satisfaction and ultimately, your profits.

Let's break it down.

Staff Retention

Training staff well and providing opportunities for career progression will address two of the things modern employees look for in their job and increase the likelihood of them staying for longer. With hospitality businesses being more than twice as likely as other industries to experience challenges filling vacancies in 2022, it's more important than ever to retain staff so your business can continue operating as normal.

Many businesses are beginning to recognise the importance of training and opportunity, and some have even gone as far as opening their own training academies. D&D London, a group that operates 45 restaurants across England, has created [two chef training schemes](#): one aimed at those with no experience and

another intended to upskill those with existing experience. Similarly, Thai Leisure Group has created [several new specialist roles](#) intended to upskill their existing employees. For example, a group bar manager who trains staff from bar backs to become bar managers. While these solutions aren't viable options for every business, these are two great examples of hospitality businesses recognising the importance of training and progression, and how far they go to make staff feel valued.

Demonstrate Compliance

Another benefit of staff training is that it helps to demonstrate compliance with the various laws and regulations that hospitality businesses need to follow in order to avoid fines and closures. Environmental Health Officers may ask to see evidence of training when they visit your premises, and failure to demonstrate compliance can lead to fines and prosecution. For example, in Scotland, anyone who serves alcohol as part of their role must undergo a minimum of two hours of licensing training, which must be evidenced in a record of training. Training records can also help to form part of a due diligence defence in the event of a food poisoning outbreak in the area, as they demonstrate that staff have been trained to follow food hygiene practices and avoid cross-contamination.

How Much Does Hospitality Training Cost?

HOSPITALITY TRAINING COSTS



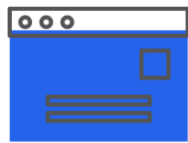
Instructor-led training



Online training



Single licence
online course



Learning Management
Systems (LMS)

So now that we've looked into why you should be investing in staff training, let's break down the different training options available and examine the costs.

Instructor-led Training

Instructor-led training is usually the gold standard – people are more likely to retain information given to them

this way, and there is more opportunity for hands-on learning which can be especially useful in hospitality settings. For example, it's easier to learn to make cocktails by doing rather than reading. Additionally, traditional training in classroom settings allows several employees to be trained at the same pace. However, there are several downsides to in-person training that have allowed online training to flourish. Number one being that it is usually also the most expensive option, and for fast-paced industries with high turnovers, like hospitality, these costs can quickly add up. As well as the cost of hiring instructors, there are also travel costs, room hire, and potentially accommodation costs to consider. Even if you train internally, there's still the cost of time as staff need to be paid while being trained, and cover will need to be sorted in the meantime.

Instructor-led training can also suffer from a lack of flexibility. Training sessions have to be scheduled in advance and this can be difficult in industries reliant on shift

work, like hospitality. Additionally, staff missing training can cause setbacks in their onboarding, and in-person training can be difficult to reschedule.

Online Training

Online training has been growing in popularity over the last decade, and the last two years have seen more and more companies move their training online due to the ongoing pandemic. In fact, online learning has [grown 900% since 2000](#), and shows no signs of slowing down. What are the reasons for this huge growth?

One of the biggest contributors to the growth of online training is the simple fact that it is usually cheaper than traditional classroom learning. Without the need to hire instructors, rent meeting rooms, travel cost reimbursements, and cover staff absences, the bulk of training expenses are cut away. There are still some costs involved, like buying course licences or learning management system subscriptions, but these are usually significantly less than instructor-led training, and in such a booming industry with a lot of competition, you can shop around to find a good deal that suits your needs.

Online training is also a lot more flexible; employees can access courses anywhere and complete them in their own time at their own pace, and there's no need to try and arrange it to fit around people's differing schedules. This allows training to be completed at a faster rate and reduces the amount of time needed for staff onboarding.

So let's have a look at some cost breakdowns. In-person training can range from a few hundred pounds to thousands, depending on the level of training and the number of learners you have, and that's without considering the additional costs

mentioned earlier. These costs can be multiplied even further if you need to train staff from multiple sites, as many instructors have strict limits on class sizes.

Even on-site training can be expensive. For example, on-site Allergen Awareness training can cost around £50 per delegate. Allergen awareness training is a requirement for everyone who handles food as part of their role, and in many hospitality businesses this can include most of the staff. Paying £50 per staff member in an industry with high turnover can end up being a huge drain on profits, especially when you consider factors like time and flexibility.

Single Licence Online Courses

Online training is usually a cheaper option than instructor-led training, but can still be significantly expensive if you want to train multiple staff members at once. Licences for single online courses typically run between £10 and £30 per person, though some more advanced ones can be much higher. Online courses are typically certified by an external organisation like [CPD UK](#) or [RoSPA](#) and most will provide a printable certificate on completion that you can print for your records and use to demonstrate compliance. Single licence courses can be extremely helpful as a one-off to train employees, but if you have a large number of staff or tend to have a lot of seasonal workers, it may not be the most economical option.

Learning Management Systems

An alternative to single licence online courses is to purchase a monthly subscription to a learning management system, or LMS. An LMS is an online platform consisting of a catalogue of courses that will typically allow you to have multiple users at a time. For example, Tayl's Team package will allow you to have up to 250 users at any one time for £99 a month, build your own course or assign them one of the

course library, and also be able to perform certain admin tasks paperlessly. This can be an economical option for training many staff members at once.

The prices and features of different LMS systems can vary widely, so it's worth shopping around to find one that works for your needs and budget. Some just offer a simple course library, whereas others offer more advanced features, such as the ability to create your own courses and track employee learning.

Summary

Here's a quick recap of everything we covered in this guide:

- Investing in staff training is cheaper than the costs of continually hiring and onboarding new staff
- Poorly trained staff can affect customer satisfaction and company profits
- Employees look for career progression and training opportunities when considering jobs
- Many employers are beginning to recognise the importance of good training by creating their own in house training solutions
- Staff training can help to demonstrate legal compliance and form part of a due diligence defence
- There are several different options available for staff training including, instructor-led training, single licence online courses and LMS subscriptions
- Instructor-led training is usually better for knowledge retention, but can suffer from high costs and inflexibility, especially in hospitality settings
- Single-licence online courses can be more flexible and less expensive than instructor-led training, but costs can add up when training multiple employees.

- Learning management systems are subscription-based services that will allow you to train multiple employees at once, and many come with additional features, like the ability to create courses and track employee learning.

We hope this explains the different ways to train your hospitality team in 2022, and the varying benefits and costs of each.