

Overview of hospitality industry in Hanoi

The outbreak of the COVID-19 pandemic adversely impacted Hanoi tourism in 2020 and 2021. The number of both domestic and international visitors to Hanoi witnessed a drop compared to before COVID period. The average occupancy rate was only 35% and 31% in 2020 and 2021 respectively.

Tourists		2017	2018	2019	2020	2021
- Visitors to Hanoi's hotels	<i>1000 visits</i>	14,053	16,348	17,091	2,780	1,164
<i>Of which: Foreign visitors</i>	<i>1000 visits</i>	4,024	4,589	4,803	875	245
- Visitors to foreign countries	<i>1000 visits</i>	160	170	169	22	504

The number of enterprises grows over time from 2017 up to 2019 and falls in the year 2020 and 2021 when the COVID-19 outbreak hits the country and the city. There is a shift in ownership structure from state-owned enterprises to the private sector. The state-owned enterprises declined steadily, and private businesses grew significantly before the pandemic. Foreign-invested enterprises experience an increase, showing a strong presence in the Hanoi market.

Number of enterprises in tourism and accommodation service in Hanoi		2017	2018	2019	2020	2021
Accommodation and food service activities	<i>Enterprise</i>	3,078	3,293	3,690	3,903	3,851
Tourist services	<i>Enterprise</i>	1,937	2,123	2,408	2,470	2,437

Employment in the sector has an increasing trend up to 2019 and drops in 2020, 2021. Most employees are in the private sector, accounting for more than 80% of employment in accommodation and food services and more than 90% in tourist services.

Number of employees in tourism and accommodation service in Hanoi		2017	2018	2019	2020	2021
Accommodation and food service activities	<i>Person</i>	63,334	67,776	74,305	74,276	73,383
Tourist services	<i>Person</i>	14,404	-	17,142	10,913	10,781

With an aim to analyse and understand the demand and offer employment prospects in the local labour market, the web survey (CAWI) and face-to-face interview (FaF) were conducted at star-rated hotels in Hanoi. The survey was conducted in 2020-2021 which was adversely affected by the COVID-19 pandemic. During the COVID-19 outbreak period, hotels operated at reduced capacity. Most hotels cut down on human resources to maintain operations. Therefore, the data on hotel staffing does not represent everyday operations.

The hotels that participated in the survey mainly include non-seasonal employees (staff hired permanently). Overall, graduates represent 59% of employees, operating mainly as non-seasonal workers at high-category facilities. The high percentage of graduates among hotel employees is attributable to

government requirements for the qualification of key positions and retention of key employees during COVID period.

Graduates employed	3 stars	4 stars	5 stars	Total
Seasonal and non-seasonal	28%	62%	59%	59.1%
Non-seasonal	28%	62%	56%	57.5%
Seasonal	0%	0%	3%	1.5%

Women represent 51.8% of employees, regardless of whether we are talking about seasonal or non-seasonal employees. The percentage of women employed is approximately 50%, slightly different among hotel categories.

Percentage of women employed	3 stars	4 stars	5 stars	Total
Seasonal and non-seasonal	46.3	51.8	52.4	51.8
Non-seasonal	46.3	51.8	50.2	50.7
Seasonal	0	0	2.2	1.1

In the last 24 months, the hotels have hired front office, room, kitchen and technical staff. The hirings required graduates from university or college for front office and technical positions, people with a vocational certificate for kitchen and room staff.

Recruitment in the last 24 months	3 stars	4 stars	5 stars	Total
Yes, hiring (even for turnover only)			40%	22%
No, no change in headcount			20%	11%
No, on the contrary, the workforce has been reduced	100%	100%	40%	67%
Total	100%	100%	100%	100%

From 2020 through 2021, the COVID-19 outbreak seriously hit the country and the hospitality industry. Travelling was limited, and country borders were closed. A minimal number of international visitors came to Vietnam, and domestic visitors were restricted because of lockdown and social distancing requirements. Hotels operated at very low capacity. Some hotels were used as places for quarantine. All hotels that participated in the survey reported that they missed some goals.

During the survey period in 2021, people interviewed were all positive about the prospect of tourism and hospitality. 100% agreed that the hospitality industry would recover and grow again in the next two years.

As for prospects, 100% of hotels believe that in the coming years, the economic trend of the tourism sector, as regards hotel accommodation, will be growing compared to the COVID period. The growth might not reach the pre-Covid period within a short time, but a strong recovery is expected.

In this future vision, 100% of hotels surveyed plan to hire in the next two years to prepare for recovery and growth. In the next two years, the hotels surveyed intend to recruit almost 500 new employees. The hires involve all areas of the hotel operation, including room, kitchen, food & beverage, front office, sales and marketing, and technical staff.

Instead, thinking more in the long term, the figures with the best employment prospects will be the Chef / Cook, the Guest relation, the Receptionist, and the Sales.

The professional figures sought are many. However, as many as 67% of the hotels that participated in the survey showed that they had difficulty finding staff due to the inadequacy of the candidates, 22% due to a small number of candidates, and 11% due to other reasons. Despite the expected growth of the hospitality industry in the coming years, the human resources that meet the requirements remain limited. The number of qualified candidates is small. Many experienced staff have moved to other industries. Job opportunities are available but recruiting high-quality staff is predicted to be challenging—several hotel positions, including kitchen and sales, required qualifications, skills, and extensive training. However, after several years of working in the hotels with experience and training, they tend to leave, causing high staff turnover.

<i>Hotels that in finding staff</i>	<i>3 stars</i>	<i>4 stars</i>	<i>5 stars</i>	<i>Total</i>
They have difficulties due to the inadequacy of the candidates	100%	100%	40%	67%
They have difficulties due to the small number of candidates			40%	22%
They have difficulties for other reasons			20%	11%
They have no difficulties				
<i>Total</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

Specifically, the main difficulties concern the search for front office staff, kitchen and sales. Those professional figures will have the opportunity to grow and develop.

Finally, regarding investments, most of the hotels that participated in the survey concentrate on strengthening commercial network, enhancing advertising and communication via the web, training/updating personnel and recruiting staff.