

INSTITUTE OF HOSPITALITY

WHITE PAPER

OPTIMISING THE FRONT-LINE WORKER AND
HOW DOES AI FREE UP TIME TO HELP
THE FRONT-LINE WORKER?

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by Katherine Price MIH



In collaboration with Workday

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Micaela Barlow FIH, quality & curriculum director, HIT Training

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The background

Rising costs and staff shortages remain some of the key challenges to the hospitality industry in 2025, both of which can be supported by optimising front-line workers and effective deployment of artificial intelligence (AI).

According to Deloitte's latest European Hotel Industry and Investment survey, 52% of customers believed generative AI would be used for customer interactions, and 44% said that it would be employed for guest engagement (1).

According to the same Deloitte survey, two-thirds of respondents reported that their organisation was either exploring or not yet considering AI solutions. Just one in 10 organisations was implementing AI solutions and one in five were at the piloting stage. As for intention, accelerating digital transformation and investment in AI was a key priority over the next year for just 29% of respondents – more than in 2023, but the lowest-ranked priority of the options provided.

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As a luxury, lifestyle brand where it's very much about hospitality and the service, we give to our customers, the thought of not having a person stand at our reception to check people in doesn't appeal in the slightest. But then on the flip side of that, recruitment's getting harder and harder, the cost of staffing, the recent UK government Budget announcement about National Insurance increases – we have to start looking at, talking about and embracing all of these things.

Ben Bridgeman FIH, group operations director, Harbour Hotels

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The challenge

Preparing the workforce

The hospitality workforce needs to be trained on how to use AI effectively and responsibly, as the information provided to AI technology is key to its effectiveness, and data also needs to be used appropriately and adequately protected. Deloitte's 2024 State of Generative AI in the Enterprise study found that only a quarter of business leaders believed their organisations were "highly" or "very highly" prepared to address governance and risk issues related to generative AI adoption (2). Their biggest governance-related concerns were a lack of confidence in results (36%), intellectual property concerns (35%), misuse of client or customer data (34%), ability to comply with regulations (33%), and the lack of ability to explain/transparency (31%).

Cost of implementation

While AI may help operators save money in the long term, in the short term, implementing and integrating AI into a business requires an initial financial outlay. Whether developed in-house or externally, continual investment to keep it up to date is also necessary. Margins are already tight and are expected to become tighter following the most recent UK Budget announcement of an increase to employers' National Insurance contributions – a 10% rise in the cost of employing a worker (3). Operators will need to balance the return on investment AI can provide and how it can help support front-line workers.

Reputational risk

The reputational risk if AI is inappropriately deployed is significant, ranging from inaccurate information or messages that do not align with a venue's brand, to data compliance and protection issues, and poor-quality information that may negatively affect the guest experience.

Integration with existing systems

Ideally, AI would integrate with existing systems within a hospitality business. However, this isn't always the case. Businesses need a 'one-stop-shop' for all their AI needs across departments that can integrate with systems and processes, and even then, significant human input may still be required.

Optimising the front-line worker and how does AI free up time to help the front-line worker?

AI can offer a multitude of opportunities to free up front-line worker time, particularly by automating routine and repetitive tasks so that staff can focus on guest engagement and personalisation.

Front-of-house

Many, if not most, have already experienced and deployed AI chatbots to support the guest's digital booking journey. Some hotels are already offering contactless check-in and check-out, using AI to take reservations, and have automated housekeeping and room service. AI can particularly support the latter, analysing guest preferences and predicting behaviour to create upselling opportunities in room service or marketing.

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Guests would love to let the boring stuff go to AI, but they still want interpersonal connections.

Basel Jabri MIH, head of human resources, Canopy by Hilton London City

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AI offers opportunities to optimise the front-line worker by supporting them to do their jobs even better and focusing on the human interaction that AI cannot provide.

Back office

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It's how we use technology to make our lives easier but also to ensure our customers feel very valid... the technology to me isn't about the front of house or the menus, it's the back office.

Dawn Lawrence, founder/CEO, HJUK

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AI can also be deployed to automate back-office tasks, freeing up the front-of-house worker to focus on guest engagement. AI is already being deployed in revenue management, using algorithms to refine pricing strategies and forecast demand.

It can also support inventory, scheduling, security, and sustainability. For example, using data to reduce waste or unnecessary energy usage. AI can also be integrated into operational metrics like reviews and guest satisfaction scores to provide insight that can guide team training priorities.

AI can even support HR tasks such as registering attendance and rotas. Particularly for businesses that rely on casual and/or agency staff, AI facial recognition systems can ensure accurate sign-in, and sign-out, and that people are being paid correctly. It can also ensure appropriate staffing levels and that peak shifts aren't repeatedly falling to the same team members to help prevent burnout

Training

AI functions can also help with tailoring training to the specific needs of an individual, whether that's blended learning, e-learning, videos, audio or text, as well as alerting HR teams to training opportunities or skills gaps. It's important to keep in mind that while AI may be able to support with some elements of hospitality, not to lose sight of the importance of team member development and knowledge.

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It's great that AI can help but then we are removing people's development and understanding... we need to be thinking of the people aspect.

Lucyna Turkosz, rooms division manager, Canopy by Hilton London City

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Recruitment

AI can also support recruitment processes and reduce human bias when sifting through CVs. However, it is a tool to use with caution as it can result in potentially great candidates not making it through to interview if they don't have the exact job title or experience that match the search terms provided.

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Micaela Barlow FIH, quality & curriculum director, HIT Training

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Best practice

Current best practice is to treat AI as a tool to support – not replace – staff. AI can help save costs by helping team members with repetitive and routine tasks, particularly those where human error or bias may creep in, allowing them to focus on giving guests the best face-to-face service they can. AI isn't going anywhere, but it needs to be applied thoughtfully, in moderation and in the right areas where it will bring the biggest benefit to a business and be in line with the business' values.

Solutions

Understand your guests and analyse the opportunities.

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Not everything can be AI because when you go to a luxury hotel, you expect human interaction.

Laurent Homeyer, industry advisor – retail & hospitality, Workday

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AI won't work for every workplace or guest, and it's key to understand your business model and how AI could enhance service before deciding where to deploy it, particularly when it comes to anything guest-facing. Every guest will have different expectations and these will change over time – some guests will love having their favourite wine that they posted about on social media waiting for them in their room on check-in, for example.

However, others won't, and businesses need to consider guest expectations and profiles. Are your guests primarily business or leisure? Do they come to you for a quick bite to eat or just a bed for the night, or are they looking for interaction?

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It always comes down to guest expectations and demand. That will always be driven by the guest. If you've got a market and demand, hospitality will adapt to it.

Alper Zan FIH, co-founder & country director, YY Circle UK

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Consider where AI could be deployed within your business to bring the greatest return on investment – which could be in saved staff time – and where it would be most appropriate in a way that aligns with your business model and guest expectations.

Next steps

- 1)** Explore what repetitive back-office tasks AI could help with
- 2)** Deploy AI investment into areas that will have the biggest impact
- 3)** Include AI in your risk assessment and business plan
- 4)** Consider your guest profile and business model to inform where guest-facing AI may be appropriate
- 5)** Ensure the information you have for your teams is up to date so that any AI-supported HR processes are relevant.

Methodology

This white paper has been produced following a round table discussion at Canopy by Hilton London City on 5 November 2024



Round table chair

Sarah Peters FIH, head of commercial development & head of events, Institute of Hospitality



Micaela Barlow FIH, quality & curriculum director, HIT Training



Ben Bridgeman FIH, group operations director, Harbour Hotels



Gareth Hawkins, retail & hospitality lead – UK enterprise, Workday



Laurent Homeyer, industry advisor – retail & hospitality, Workday



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Dawn Lawrence, founder/CEO, HJUK



Lucyna Turkosz, rooms division manager, Canopy by Hilton London City



Alper Zan FIH, co-founder & country director, YY Circle UK

Resources

Winnow 2024 Guide to AI in Hospitality

AI Today podcast

CBRE AI Research Series

References

- (1) Deloitte: European Hotel Industry and Investment Survey (2024)
- (2) Deloitte: State of Generative AI in the Enterprise (2024)
- (3) The Caterer: UKHospitality: The cost of employing a full-time staff member will increase by £2,500 (2024)