

TURNING AI INTO A HOSPITALITY ADVANTAGE



The UK hospitality sector is the third largest employer in the UK, employing 3.5 million people directly and contributing £93 billion annually to the UK economy. Yet the industry is under mounting pressure.

Labour costs have surged following recent policy reforms such as successive [national living wage increases](#) and higher employer national insurance contributions. Alongside this, the sector continues to grapple with high staff turnover rates that exceed 70% in some roles, seasonal workforce fluctuations and the ongoing challenge of balancing guest experience with operational efficiency in an increasingly competitive marketplace.

Our latest report, [The Grey Zone: The Untapped Advantage of AI Alignment](#), surveyed leaders and employees across multiple sectors to explore how AI

is reshaping the relationship between organisations, their people and the work they do. The research shines a light on the gap between AI adoption and genuine alignment - the Grey Zone where technology exists but doesn't yet deliver its full potential value.

For Zellis, and our customers, AI alignment means ensuring that AI tools are built around the way people actually work - the tasks, schedules and priorities they face day-to-day. AI tools should support sound judgement, rather than becoming just another unused system.

DRILLING DOWN INTO THE HOSPITALITY DATA

Building on the main research findings, this deep-dive highlights the data most relevant to hospitality businesses in the UK and Ireland, focusing on responses from both leaders and employees to analyse what they need from AI to support effective, sustainable ways of working - from the front-of-house to back-of-house operations.

THE HOSPITALITY REALITY: COMPLEX WORKFORCES, TIGHT MARGINS

At Zellis, we understand the unique challenges hospitality businesses face. In a market defined by tight margins, rapidly shifting customer expectations, complex multi-site operations and a significant frontline workforce, the stakes have never been higher.

Hospitality operators must juggle seasonal peaks that can see staffing requirements fluctuate dramatically, manage hourly-paid workforces across hundreds of locations, ensure compliance with increasingly complex employment legislation, and deliver seamless guest experiences - all while controlling costs.

These pressures are true across hotels, restaurants, venues, multi-brand groups and specialist operators, each with their own patterns of customer demands, events and peak trading periods.

Understanding where AI is helping and where value is being left untapped is essential. The insights that follow examine how hospitality organisations are currently using AI, where expectations between

leaders and employees differ, and what this means for productivity, wellbeing and customer experience across the sector.

More importantly, they reveal how closing the AI alignment gap can help hospitality operators tackle their most pressing operational challenges. In practice, that means using AI to take away low-value administrative tasks, not people's judgement or guest-facing roles.

When organisations are clear that AI is there to inform judgement rather than replace it, confidence grows, capability follows and value is unlocked. Alignment turns AI from a source of uncertainty into a catalyst for better decisions, better work and more resilient workplace cultures.



STEVE ELCOCK, Director of Product — AI Zellis

THE ALIGNMENT OPPORTUNITIES FOR HOSPITALITY

Key statistics from the research reveal the gaps between leadership ambition for AI and frontline reality:

→ 88% of hospitality leaders say their organisation currently uses or interacts with AI tools as part of its operations, yet only 35% of hospitality employees say they use AI regularly.

This significant gap between leadership AI adoption and frontline employee usage mirrors a common hospitality challenge: technology investments that don't reach the people who need them most. In an industry where frontline staff directly impact customer experience and operational efficiency, this disconnect represents a missed opportunity.

→ When AI is in place, 83% of hospitality employees say it improves productivity, 61% say it increases job satisfaction, 66% say it gives them time back for more meaningful or strategic work and 55% say it reduces work-related stress, pointing to clear benefits when adoption is well aligned.

When employees report that AI could reduce their stress levels, they are pointing to one of hospitality's biggest pain points - keeping people. Every avoided resignation saves thousands of pounds in recruitment, onboarding and lost productivity - especially in busy sites where experience really counts.

CONFIDENCE, CAPABILITY AND CULTURE

1 Transparent AI use strengthens loyalty in a high churn sector

61% of hospitality employees say that when AI is used transparently (openly and explained clearly) it makes them more likely to stay with their employer, a powerful lever in a sector with 52% annual staff turnover.

2 Younger workers are especially positive about AI

With 50% of hospitality workers aged 16-24, many see AI as part of their career toolkit, mirroring wider findings where 60% of Generation Z say transparent AI improves trust in leadership and 55% say it makes them more likely to stay.

Workforces in hospitality span multiple generations, from digital-native Gen Z seasonal workers to experienced site managers who may be less comfortable with new technology. Successful AI implementation requires training approaches that meet people where they are, not where we assume they should be. That could mean short, on-site coaching sessions or bite-sized e-learning that fits around shifts and peer 'super-user' roles to help build confidence among those on the front line.

3 Leaders believe AI can accelerate careers and skills

Over half of hospitality leaders (56%) say AI has enabled their organisation to create new opportunities for career advancement, identify skill gaps more effectively and deliver relevant upskilling, with 62% agreeing it makes it easier to assess and support progression towards promotion.

4 AI enabled cultures can boost trust and retention

Almost three quarters of leaders (69%) agree that AI has helped improve employee trust and retention in their organisations, indicating strong belief at the top that AI can support more engaging, sustainable hospitality careers when implemented well.

WHY HOSPITALITY BUSINESSES CHOOSE ZELLIS

The research highlights how better AI alignment, backed by the right technology and expertise, can help hospitality operators reduce stress, retain talent and improve the customer experience across complex, shift based workforces.

91% of hospitality businesses say our solutions improved payroll accuracy and efficiency



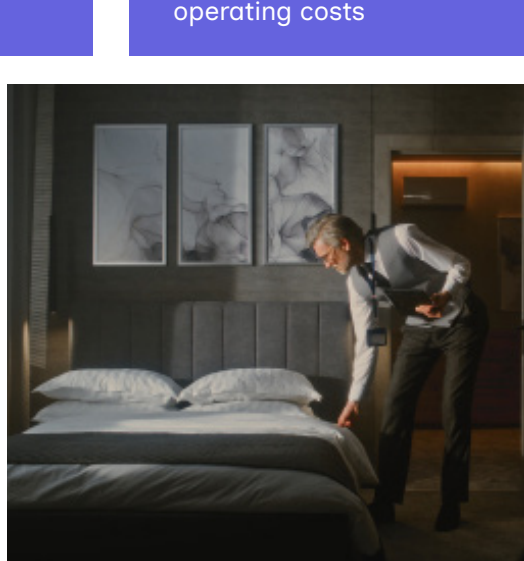
98% SAY ZELLIS HELPS CUT COSTS, AND 87% SAY THE PLATFORM MEETS THEIR BUSINESS NEEDS.

These outcomes sit alongside wider benefits from better AI alignment:

Over a quarter of leaders (32%) estimate that **4-6%** OF OPERATING COSTS could be saved through better AI alignment

57% of employees believe more effective AI use could reduce operating costs

AI+ 52% of leaders believe that 6-10% of people's time could be redirected to higher value work if AI better supported their teams



OUR MISSION – UNLOCKING HOSPITALITY VALUE

Zellis' mission is to help organisations make every moment at work count by connecting leadership vision, frontline experience and AI-enabled technology so that investments unlock both commercial and human value.

We've worked with leading hospitality operators like [Travelodge](#) and [Five Guys](#) to streamline HR, Workforce Management and Pay, delivering measurable improvements in efficiency, accuracy and employee experience.

At [Travelodge](#), the implementation of Zellis has:

- Contributed to a **10% reduction** in labour turnover
- Supported a **10% increase** in average length of service year-on-year

Hospitality leaders can make meaningful progress by focusing on four practical steps:

- **Put frontline voices at the centre:** pilot AI with representative sites, create feedback loops and use workforce data to refine roll outs.
- **Invest in skills and confidence:** tailor training to different generations and roles, positioning AI as an enabler of better work rather than a threat.
- **Target AI on the work that most people want to lose:** prioritise automation for inventory checks, rota building, time and attendance, absence and pay related admin.
- **Measure what matters:** track guest experience metrics, stress levels, retention and engagement alongside productivity and costs.

CLOSING THE AI ALIGNMENT GAP IN HOSPITALITY

Organisations that align leadership ambition with frontline expectations and AI enabled technology will be best placed to protect margins, retain talent and deliver standout guest experiences in an increasingly challenging market. As UK hospitality operators navigate rising labour costs, evolving employment legislation and persistent workforce pressures, the ability to do more with existing resources becomes a competitive necessity.

Zellis invites hospitality leaders to explore how AI-enabled HR, Workforce management and Pay can help close the alignment gap and realise the full value of AI across their organisations - turning grey into great.



TAKE THE NEXT STEP

Learn more about the ways AI can unlimit what's next for your people and performance.

[Download the full report](#)

Our AI-enabled HR, Workforce Management and Pay platform is reshaping workplaces and our solutions pay one in seven people working in the UK and Ireland.

[Book a demo](#)

