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EXCELLENCE

EHL CASE STUDY



Solving the Hospitality Industry Labor Shortage with In-house hotel training

A Maldivian Island dedicated to Education

Tourism takes place in dedicated islands: islands-hotels

Since the early 1970s, the Republic of the Maldives has recognized tourism as a paramount driver of its economic expansion. In this regard, it has achieved notable success: as per the latest statistical data, tourism consistently contributes significantly to the Gross National Product (GNP), constituting an escalating portion (27% in 2008). Remarkably, the influx of tourists has exhibited a consistent upward trajectory, accompanied by the growth in the number of resorts, even in the aftermath of the 2004 tsunami.

During the pandemic, the Maldives Islands emerged as an exceptional tourism destination, experiencing higher popularity compared to other similar destinations due to its open stance towards visitors. The unique geography of the Maldives enables visitors to relish their vacation in the company of their immediate family, providing a secluded yet rejuvenating experience.

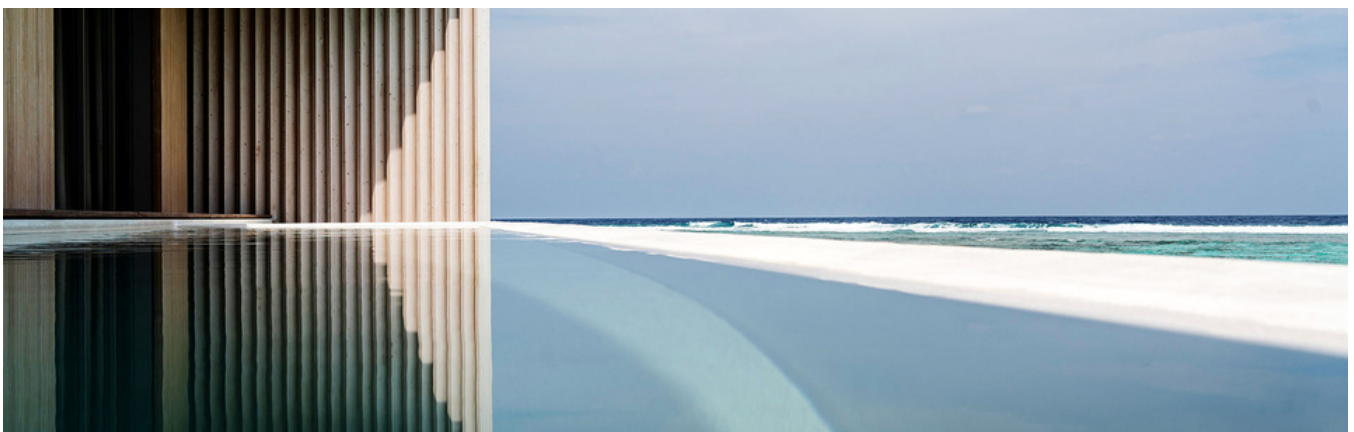
In 2021, the islands achieved an impressive recovery, welcoming over 80% of their pre-pandemic tourist numbers. Coinciding with the 50th anniversary of Maldives tourism, the nation anticipates receiving more than 1.6 million tourists this year.

Notably, the Maldives hospitality sector has cultivated a distinctive identity with its "One Island, One Resort" concept, distinguishing itself as a thriving market in Asia. Bolstered by supportive government policies, the hospitality industry has emerged as a pillar of economic growth, constituting a significant portion of the total Gross Domestic Product (GDP) in 2018, accounting for nearly 25%.

The strategic focus on tourism as a driving force and the sustained development of the hospitality industry underscore the Maldives' commitment to fostering economic prosperity and positioning itself as an attractive destination for global travelers.

Labor Shortage in the Hospitality Industry

The global hospitality industry confronts a pronounced labor shortage, spanning hotels, restaurants, bars, and tourism. This dearth, catalyzed by the pandemic, has led to recruiting and retention difficulties. Complex factors, including demographic shifts and cross-industry competition, contribute to this scarcity.



The impact is far-reaching, affecting business and economies alike. To counter this, the sector is embracing strategies like improved compensation, benefits, and scheduling flexibility to entice potential employees.

Ongoing initiatives aim to cultivate a skilled workforce, employing incentives such as flexible work arrangements and career-focused training. These measures bolster the sector's appeal and workforce development.

In the Maldives, the labor shortage carries particular weight due to the country's dependence on tourism. Challenges stem from education gaps, vocational training limitations, sociocultural barriers, and logistical complexities. The unique geography with over 1,000 islands presents commuting obstacles that influence recruitment and worker safety.

A solution to address this could lie in the apprenticeship model offered by EHL. This adaptable vocational program blends practical training and theory, accommodating diverse locations and aspirations. Featuring distinct certificate levels leading to a Professional Diploma, the model caters to various skill levels and readiness levels, offering a streamlined path for those entering or advancing within the hospitality sector.

A Maldivian Island dedicated to Education and well-being

Pontiac Land Group, a seasoned real estate developer hailing from Singapore with over fifty years of expertise, has brought to life the exquisite Fari Islands, a luxurious resort endeavor nestled in the Maldives. Comprising three meticulously crafted man-made islands, Fari Islands stands as the canvas for three world-renowned hotels: Patina Maldives, The Ritz-Carlton Maldives, and Capella Hotel (anticipated to debut in 2025).

Conveniently positioned a mere 40 minutes north of the capital city Male via speedboat, the Fari Islands archipelago houses exceptional gems: The Ritz-Carlton Maldives and Patina Maldives. This haven also boasts the enchanting Fari Marina, curated around the vibrant Fari Beach Club, an enclave of shops and restaurants that beckon to explore.





Among the captivating islands, Fari Campus emerges as a unique facet within the Fari Islands archipelago. It serves as a home for the dedicated workforce of Patina and The Ritz-Carlton, accommodating management, back-of-the-house essentials, utilities, and equipment for the trio of upscale luxury resorts poised to grace the neighboring islands. The heart of Fari Campus resonates with the intention of fostering career growth, cultivating a sense of camaraderie, and nurturing well-being during moments of respite. With its well-appointed living quarters, recreational spaces, and an impressive full-sized soccer field, Fari Campus embodies a holistic vision.

The spectrum of facilities within this thriving community encompasses a seaside jogging track, the Maldives' largest soccer field, basketball and volleyball courts, a communal plaza, a library, a clinic, a beauty salon, and even a retail store. Beyond these, essential sanctuaries include a mosque and a staff canteen, thoughtfully designed to evoke an intimate dining experience akin to a restaurant. Most notably, the campus offers its very own tranquil beach, a cherished haven for its cherished staff.

“We are delighted to be spearheading this initiative, which is the first of its kind, bringing internationally accredited hotel and hospitality training to the Maldives. True to the spirit of Patina and the Fari Islands, the pioneering scheme aims to bring a fresh approach to resourcing, training and HR, and to nurturing young talent on the ground in the Maldives. Together with EHL, we are committed to providing an enriching pathway to success for those who wish to rise to their full potential in hospitality management.”

Mr. Mohamed Rasheed, Director of HR at the flagship Patina Maldives, Fari Islands

Providing employees with learning opportunities to be successful

Attracting and retaining talent stands as an utmost priority for organizations, as the pivotal role of recruiting and preserving skilled professionals cannot be overstated. The potency of an organization is intricately linked to the collective expertise of its workforce. In light of this, the question arises: how can exceptional talent be effectively attracted and maintained?

One of the most prevalent causes of departure from and affiliation with an organization mirrors each other: career development, or its absence. As a result, a fundamental facet of successfully recruiting and retaining exceptional individuals involves offering substantial learning prospects that facilitate their career trajectory. Notably, a remarkable 59% of employees are drawn to companies offering improved career paths and increased growth opportunities, while conversely, 45% of those who left companies did so due to concerns regarding the scarcity of avenues for advancement.

Fari Campus leverages its learning program as a competitive edge in talent attraction, engagement, and retention endeavors. This initiative aspires to kindle employees' aspirations towards achieving their career goals and fostering a culture of continuous learning. Notably, it encompasses several distinct advantages:

1. Reduction in Infrastructure Costs

The VET by EHL model minimizes infrastructure and maintenance expenses, employing a learning management system and partner-owned facilities for all educational activities.

2. Reduction in Faculty Costs

The absence of full-time staff is a defining feature. Industry experts, trained according to EHL standards via the train-the-trainer methodology, can deliver courses in under 6 months.

3. Students Earn While They Learn

The program is structured around flexible work schedules, enabling students to earn through their work, while education fees are subsidized by the employer.



4. Real-world Education Experience

Designed to meet local industry needs, the education provided caters to experienced hospitality professionals seeking a world-class education without interrupting their employment or leaving their country.

5. Agility and Autonomy

The partnership model facilitates swift adaptations to local market changes.

EHL envisions its new center on Fari Campus to extend hotels' ability to retain employees through a tailor-made education program. This innovative approach holds the potential to alleviate the labor shortage. Representing a pioneering opportunity, the courses empower ambitious individuals to cultivate the vocational competencies, knowledge, and mindset essential for thriving within the hospitality industry's hotel and restaurant sectors. These three-year programs culminate in internationally recognized diplomas, endorsed by EHL and acknowledged by the Maldives Qualification Authority. This alternative presents local talent with a credible option, countering the need to seek hotel schools in Europe. The VET course offering and sponsorship program further underscore Patina Maldives and the Fari Islands' steadfast commitment to attracting, nurturing, and retaining top-tier local talent, while concurrently fostering career growth and realization of team members' full potential.

“There’s nothing like this in the Maldives. It will benefit the new employees as well as the existing employees who don’t have any formal certification. It helps Patina and Ritz-Carlton retain people because attrition is a big concern over there. We worked out a unique concept.”

Sidhant Bedi, consultant at EHL.



What are the benefits of having an in-house training center?

Introducing an in-house training center brings forth a multitude of advantages that extend beyond the confines of traditional employee development. With a dedicated space for skill enhancement and knowledge enrichment, organizations can foster an environment of growth that not only bolsters workforce competence but also resonates positively with the company's bottom line. In this article, we explore the compelling benefits of establishing an in-house training center, ranging from improved employee retention to heightened customer satisfaction.

1. Enhanced Employee Skills and Knowledge

In-house training offers a platform for employees to delve deep into their roles, acquiring the essential skills required for their responsibilities. This, in turn, contributes to heightened employee performance, translating to increased productivity and ultimately, higher profits.

2. Boosted Employee Retention

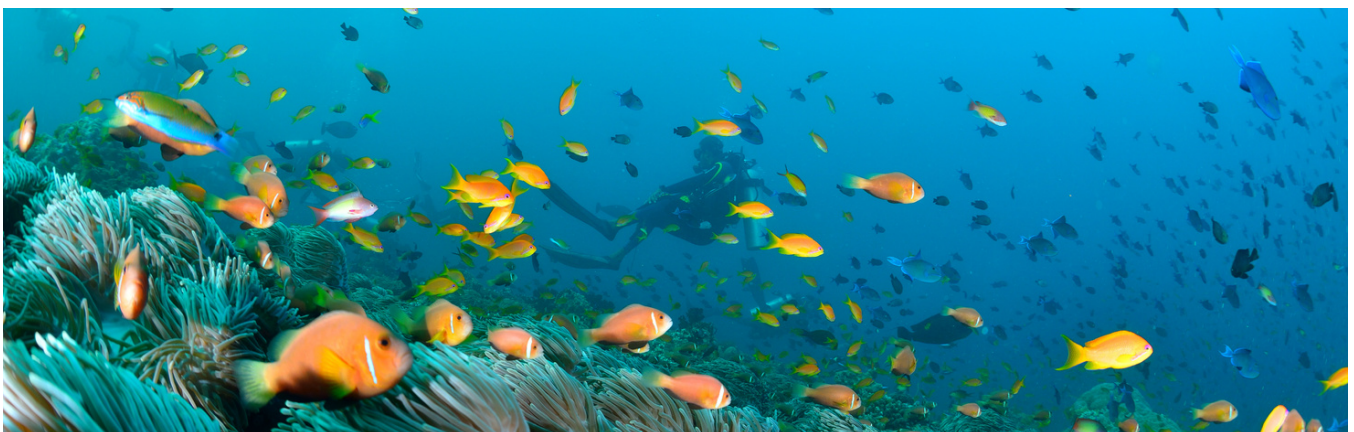
In-house training communicates a sense of appreciation and value to employees, resulting in decreased turnover rates. When employees feel valued, their likelihood to remain with the company over the long-term increases, effectively curtailing hiring and training expenses.

3. Elevated Customer Satisfaction

With enhanced employee expertise, customer satisfaction receives a significant uplift. Equipped with refined skills, employees are more adept at addressing customer inquiries and needs, fostering heightened customer loyalty and a surge in repeat business.

4. Trimmed Training Expenditure

Developing an in-house training center enables a hotel to curtail training expenses by eliminating the need for external trainers. By centralizing all training materials and courses in-house, both time and financial resources are conserved in the long run.



In-house hotel training - A worthwhile investment

In the ever-evolving landscape of the hospitality industry, the significance of in-house training has never been clearer. As we've delved into the advantages of establishing an in-house training center, a compelling narrative of transformation and empowerment has emerged. At the forefront of this paradigm shift stands Fari Campus, an emblem of Pontiac Land Group's foresight, EHL's expertise, and the VET model's innovation.

Among the array of benefits, the power of in-house training shines brightest in its potential to address the pressing concern of employee turnover. The financial ramifications of losing talented staff members can be staggering, with replacement costs reaching thousands of dollars and extending to 6 to 9 months' worth of salary. This predicament is where Fari Campus steps in as a beacon of solution, bridging the industry's labor gap by cultivating and nurturing local talent.

Solving the hospitality industry's labor shortage necessitates a multifaceted approach, and Fari Campus represents a key facet of this strategy. By fostering lifelong learning, reducing training costs, and enhancing skill sets, the campus empowers individuals to thrive within the sector. The partnership forged by Pontiac Land Group and EHL is more than a collaboration; it's an investment in the industry's future, a testament to the belief that in-house training is not just a program, but a transformational journey.

In the tale of in-house hotel training, Fari Campus stands as a prime example of how education can transcend barriers and reshape an industry. This convergence of vision, expertise, and dedication is poised to redefine hospitality education, create a sustainable workforce, and elevate the global reputation of the Maldives as a powerhouse of hospitality excellence. As Fari Campus paves the way, the concept of in-house training solidifies its stature as a worthwhile investment for the industry's progress and prosperity.



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